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

**MINUTES
 COMMISSIONER MEETING
 December 27, 2018, 9:00 AM**

Attendees: Commissioners Dan Lorentzen, Mariah Low and Kevin Kosche. District Staff: Tonya Christoffersen, Tara Bighouse, Johnathan Dix, Caitlin Hubbard and Casey Mullins. Legal Counsel: Brad Cattle. City of Lake Stevens: Barb Stevens

1. **CALL TO ORDER** – At 9:00 AM, Commissioner Kosche called the Meeting to order
2. **PLEDGE OF ALLEGIANCE** – Commissioner Kosche led those present in the Flag Salute
3. **AGENDA APPROVAL** – Tonya Christoffersen added the 2019 Board Positions and The utility Chair for 2019. Commissioner Lorentzen moved to approve the Agenda with the addition. Commissioner Low seconded the Motion. The Motion passed unanimously
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail): Commissioner Low moved to approve the Consent Items A through I. Commissioner Lorentzen seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: Dec 11 & 13		
B. Lien Placements (1)	NA	
Lien Releases (0)	NA	
C. Investments	\$307,591.95	
Withdrawals	NA	
Transfers	\$15,536.49	
D. Payroll	NA	
E. 40 – Maintenance	\$95,166.85	5965-5995
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 – Non-action Items (please limit comments to 3 minutes)

Barb Stevens on behalf of Mayor Spencer who are unable to attend. On behalf of John the City looks forward to working with the District and would like to request the District respectfully remove Items A-E per article 4.18 of the 2005 unification agreement and the City strongly disagrees with the District negotiating contract without the Utility Committee reviewing them. The City looks forward to working with the District under this agreement.

6. OLD BUSINESS

- A. Tablets for Collections – Johnathan Dix collected three quotes and, in the process, has found a new lease agreement possibility which over the three years would be the same cost as purchasing the equipment outright. At the end of the three-year lease agreement the District can trade in the equipment for new equipment. Johnathan will bring back more information at the next meeting. Commissioner Lorentzen asked if the devices will be scrubbed. Johnathan replied the software will be in the cloud and not have proprietary items stored on the devices.

7. NEW BUSINESS – Commissioner Kosche stated in response to the Mayor’s statement read by Barb Stevens and the email exchange but first handed over the floor to Brad Cattle, District’s Attorney. Brad Cattle stated he looked at the emails that referenced article 4.18 of the 2005 Unification Agreement and it does not require the City and District to discuss all contract the District makes together. What that section requires is that the City and District each negotiate their individual contracts, so they don’t create any penalties or costs when the unification occurs. Brad stated that under the City’s interpretation of Section 4.18 as indicated by Gene Brazel’s email, the City would be involved in negotiating the District’s agreements and the District would be involved in negotiating the City’s agreements and that is clearly not what is intended. It requires each party to negotiate their contracts separately but to make sure that in those negotiations that the unification process is not adversely affected. One of the District Contracts on the Agenda is the Collective Bargaining Agreement which is of particular importance. Bringing in a third party to those discussions is probably an unfair labor practice and another reason the suggested interpretation of Section 4.18 doesn’t work contractually or legally. The direction to the Commission is that the parties deal separately not collectively with their agreements with respect to Section 4.18. Brad stated that otherwise and items involving the Unification Agreement and the City, the District fully intends to work collectively. Commissioner Kosche added the District will continue to work with the City and take their input into consideration. Brad added that based on communication from the City’s attorney, a letter is expected in the next day or so that will outline issues the City would like to discuss with respect to the Unification Agreement.

Patrick McCourt added when he looked at article 7.9 it states the Utility Committee looking at all the District Contracts and this could be an issue. Commissioner Kosche replied his concern is a private citizen speaking on behalf of the Mayor.

- A. Collective Bargaining Agreement – Tonya Christoffersen noted the employees have not signed the collective bargaining agreement (CBA), so she is not recommending the Commission make decisions on this agreement yet.
- B. Resolution No. 957: Applying COLA Alternative for Bargaining Unit Employees – Tonya Christoffersen noted there is a tentative agreement between the District and the represented employees, however without the CBA the existing resolution dictating COLA would have to be honored. The tentative CBA has a cap at 2%, this resolution separates the application of COLA between represented and non-represented employees. The represented staff have agreed to the 2% base wage increase even without the CBA. Commissioner Lorentzen moved to approve Resolution No. 957: Applying COLA Alternative for Bargaining Unit Employees. Commissioner Low seconded the Motion. The Motion passed unanimously.
- C. Tenelco Discharge Contract – Johnathan Dix explained this is a renewal of the contract the District had with Evergreen Sanitation. As part of that agreement Tenelco asked that The District change the contact naming Tenelco in the contract holder as they own the Treatment Plant. The contract limits the gallons of discharge allowed as well as the quality of the effluent. Patrick McCourt added Tenelco is in violation of their conditional use permit with a recent situation of redirecting storm water at Catherine Creek subdivision. He suggests talking to public works at the City. Commissioner Kosche stated if the City pulls their use permit then they pull it, then Tenelco is shut down. He doesn’t see how it ties to the District. Patrick stated if the City and District work together they may be able to make Tenelco compliant. Brad Cattle added this contract also states its terminable with 30 days’ notice. Commissioner Kosche’s concern with how this involves the District. Commissioner Low stated in the contract it states they must be compliant and the permits active. Johnathan added it would be the same if a

resident were to not pay it still needs to be treated. Commissioner Lorentzen appreciates the information but at the eleventh hour not hearing this from the City makes it difficult. Commissioner Lorentzen moved to approve the contract as presented with Tenelco. Commissioner Low seconded the Motion. The Motion passed unanimously.

- D. G&O – Johnathan Dix stated this contract amendment is for G&O to go provide oversight of the regional lift station as this project warrants more oversight and QAQC. He recommends this contract for \$11,505. Patrick McCourt added this involves him and reimbursement for design is approved for \$350,000 and would like his amount amended to include this amount of \$11,505. Johnathan stated this does not come out of contractor funds. Patrick approved. Commissioner Lorentzen moved to approve. Commissioner Low seconded. The Motion passed unanimously.
- E. Pace On-Call Engineering Contract – Johnathan Dix introduced Robin Nelson with PACE Engineering. He noted Pace Engineers has been around for some time and is a mid-size firm. Under the day to day services contract they provide services to other similarly sized District and Cities in the State of Washington. They can provide services from pump stations, treatment plant, surface water, etc and feels they have a full-service catalog that they can provide to the District. They have a group that provide projects that mirror WSDOT standards and like to tailor them specific to the needs. Commissioner Kosche stated the regional lift station is a big job and welcomed Pace Engineering to the project. Johnathan explained it is a time and materials contract there is no guarantee of work. Commissioner Lorentzen moved to approve to allow the General Manager to execute this on-call engineering service agreement with PACE Engineering. Commission Low seconded the Motion. The Motion passed unanimously.
- F. Board & Utility – Commissioner Lorentzen moved to approve Commissioner Kosche as 2019 Board President and 2019 Utility Chair. Commission Low seconded the Motion. The Motion passed unanimously. Commissioner Lorentzen moved to approve Commissioner Low as 2019 Board Secretary. Commissioner Kosche seconded the Motion. The Motion passed unanimously.

8. MANAGERS' REPORTS

- A. Manager of Administration – Tonya Christoffersen reported she attended the Rotary meeting and presentation on preventative maintenance for sewers. She and Caitlin Hubbard met with the DOE to discuss potential reuse options for the Treatment Plant non-Potable water. The DOE has reached out and wants to work with the District on this. She was talking with Caitlin about government affairs and invite officials to come out and visit the Treatment Plant and to continue talking to legislatures in DC.
- B. Manager of Collections – Johnathan Dix reported 384.38 GFC and 275 permits sold to date. He is happy to report no long term damage from the wind storm. The employees received over 100 calls and 33 required response with two customer service calls for good measure. He is very proud of the field operations crew. Johnathan recognized Paul Knight for his 5 years of service. Tonya Christoffersen also recognized Travis Rosencrans for his 5 years of service.
- C. Treatment Plant Update – Casey Mullins reported flows are averaging 3.0 plus MGDs per day normal for this time of year. The Plant went through the windstorm resetting processes over and over every time the power flashed. The crew kept everything under control. Tonya added they did well and only had to stay until 3:45PM. Casey added they will continue to look at the effect of the PH & alkalinity on filterability. Commissioner Kosche asked how much of the plant is backed up by generators. Casey replied everything, there are two large generators that each run half the plant. Johnathan added that critical systems have batter backup. Commissioner

Kosche asked if the generators are run by natural gas. Casey replied they run by diesel gas which the District treats with an antibacterial to keep costs down.

9. CITY REPORT – Barb Stevens had nothing more to add except to commend staff and the District on a clean audit. Commissioner Kosche asked about Costco, WSDOT which Barb stated she knows nothing but will take back to the officials.

10. COMMISSIONERS' REPORT – Commissioner Lorentzen enjoyed the employee celebration. Commissioner Low thanked the staff for their hard work during the weather; good job. Commissioner Kosche added there are no other agreements with the City than the 2005 ILA agreement and would like to delve in and understand it. He stated he would like to get the quarterly dates for the Utility Committee meetings on the calendar and go back to the agreement then from there once its aligned then we can recalibrate.

11. EXECUTIVE SESSION – Brad Cattle stated that the Commissioners will recess into Executive Session at 9:50 AM; it is estimated that executive session will last up to 15 minutes, concluding at 10:05 AM. The purpose of the Executive is to discuss contract negotiations. At the conclusion of the Executive Session no announcement or action will be taken by the Board of Commissioners.

The executive session was formally extended to 10:15 AM

12. CONCLUDE – The Board Meeting was concluded at 10:15 AM.

Signed at a regular open public meeting this 10th day of January 2019





Dan Lorentzen, Commissioner





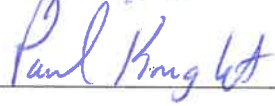



Mariah Low, Secretary and Commissioner



Kevin Kosche, President 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
Robin Nelson		PRICE ENGINEERS 11255 Kirkwood Way, Ste 300 Kirkwood, WA 98033	425-887-2014	
CASEY MULLINS		LSSD		
Paul Knight		LSSD		
Barb Stevens		COLS		
Teri Smith		COLS		
Pamela McLean		LANOPRO.		