



**Utility Committee Meeting Minutes
December 17, 2020 9:00 am – Proposed Changes by City of Lake Stevens**

City of Lake Stevens / Lake Stevens Sewer District
By remote participation via Go To Meeting, Lake Stevens, Washington

1. **Called to Order:** 9:00 AM by Gary Petershagen

2. **Roll Call:**

Attendees Representing the District: All virtually via GoToMeeting.com Commissioners Dan Lorentzen, Jennifer Stevenson, and Kevin Kosche; Staff: Mariah Low, Tonya Christoffersen, Johnathan Dix and Tara Bighouse.

Attendees Representing the City of Lake Stevens: All virtually via GoToMeeting.com Councilmember Gary Petershagen and Marcus Tageant. Mayor Brett Gailey and City Staff: Gene Brazel and Barb Stevens.

3. **Action Items:**

a. **Approval of Meeting Minutes of September 22, 2020** – Kevin Kosche moved for the minutes but noted one item on the minutes to clarify: an update on the 2% sewer tax and the lake level update to add as a discussion at some point today; the minutes he is good with. Kevin Kosche moved to approve the minutes of September 22, 2020. Marcus Tageant seconded the Motion. The Motion passed unanimously.

Gene Brazel noted his understanding is the sewer tax information that went out was corrected and the information on the website was corrected, he doesn't believe it was reissued out to the public. Brett Gailey noted it did not come up on the District side in the recent community meeting. Kevin noted he is happy to hear that it was corrected, keeping the rates the same for 5 years to ensure the public it isn't occurring at this time as the public sees it as a rate increase. Gene noted if there is something found that has misinformation the City will get it corrected.

Gary Petershagen noted the lake level did have a study done on the outflow, one option is to lower the outflow of the lake because of the amount of siltation that has occurred over the years and some downstream studying going on as far as potential blockages. The study should be complete in the first 6 months of 2021 with hopefully some action to follow. Brett added there was a study and several areas around the outflow as well as outcomes to help dissipate the problems downtown. As the City goes into the next study, they will get getting all the stakeholders who need to sign off on any action together soon. He would like to get something done soon. Kevin noted to the transparent the Districts interest is the lake level that will cause infiltration downtown that will go into the manholes and sewer system. When the drainage District was absorbed by Snohomish county and there may be an angle there from a City perspective for the responsibility. Sand at North Cove park could be washed into the outflow. Brett asked if he knows when the last time the outflow was dredged or

cleaned out; Kevin replied he does not but could ask around. Tonya Christoffersen and Dan Lorentzen both noted people that may know as well.

- b. Resolution 2020-01: Lake Stevens Sewer Utility Committee Agreeing to a collaborative transfer of the unified sewer system** – Gary Petershagen noted this resolution is proposed by the City of Lake Stevens and handed it over to the Mayor. Brett Gailey noted the City Council passed an ordinance to assume the District under RCW's. He would like to pass this resolution today and move forward. Brett Gailey moved to approve Resolution No. 2020-01. Marcus Tageant seconded the Motion. Dan Lorentzen stated the commissioners felt blindsided by the ordinance that was passed out of executive session on December 8th. He gave some history of the ILA that was entered into in 2005 and noted his involvement with the City as an employee. This agreement had to be done as the City may not financially survive due to the repairs that were needed and made a decision to unify. This was something that had to be done not knowing if the City would financially survive knowing the Sewer system at the City needed repair. The City turned over that system to the District so they could upgrade it and gave some debt to the District with promises of the District updating the downtown system. This was taken off the plate of the City since they did not have the financial means to maintain the system and looked at the ILA as a legal binding contract which goes until 2033. It constantly comes up and he understands the City wants to push this forward. He stated the District Commission passed a resolution 990 which affirms the District's commitment to the 2005 Unification agreement with the City following the timelines and not going against any annexation the City brings forth. He added the District was never notified of this ordinance, nor the public that can get blindsided making arbitrary assumptions the City will be taking over right away without any negotiations whatsoever.

Kevin Kosche noted this resolution was passed just this morning it might be a good idea to read the resolution, so everyone is informed. Dan Lorentzen read the Districts Resolution No 990 aloud.

Kevin Kosche read aloud a statement he prepared (see attached to the minutes).

Gary Petershagen asked for discussion from the City side. Brett Gailey agreed that the District is in a good position and has been doing a good job making sure rates stay low. The assumption is a great opportunity to further that savings for taxpayers and less government in our community, therefore he supports this resolution. Marcus Tageant believes the report put out by Moss Adams shows good savings and synergy between the two groups; therefore, he supports this resolution. Gary noted he appreciates the efforts and comments put together by the District while not agreeing with all of it. He would like to see a situation where they move forward together and quit the going back and forth nonsense and hoped the Resolution would do that. He stated that he is tired of the airing of grievances and the "dirty laundry" and it goes both ways. He is tired of "throwing mud at each other" and is not playing this game. He urges the Utility Committee to move forward and quit the nonsense. It's time to move forward collaboratively. The Utility committee is to provide some oversight, through the process of hiring a General Manager, a courtesy of having a discussion would probably go over more than any of the acts and his hope is moving forward collaboratively.

Therefore, Gary supports this resolution. Dan Lorentzen noted as personal friends they reach out as he extended an olive branch to the mayor in December, days before the ordinance and nothing was said about what was coming down the pipeline. He has mentioned several times to call him and has initiated calls. He believes this resolution drives a wedge and it's unfortunate the public is hearing the issues. He believes the current model is the best model. there is no dispute about the unification agreement but it's still 12 years away, it seem convenient that after the District has upheld the unification agreement its null and void and it appears the District is a revenue source. He doesn't feel it should be done on the backs of the rate payers. Marcus doesn't believe the City has ever seen the District as a revenue source and there is a lot of capital improvements that still need to be completed Gary affirmed, the main point for this is to get on the same page. He has never seen the District as a revenue source and doesn't want to go around in circles about this. Kevin added he believes we should put this resolution to rest by a vote. He noted the preamble to the Moss Adams report and asked if there was additional work or provided information was done by the City staff. He noted the preamble of the report stated the objective was to assist you in your assessment and the report is given back for work to be done. Brett stated they read and accepted the report, verified the numbers. Gary noted the City engaged with Moss Adams to help. Through the process they gave a proposal of three phases analysis, they went the least expensive route to get a third party from the outside to look for any potential of cost savings. There were a few conference calls and a very high-level review. Marcus added there had been a disagreement between the City and District if there would be savings or not and wanted an independent look and offered to the District to be part of it and save money. He said the District declined. Kevin clarified that he was interviewed personally by Moss Adams as well as a few other individuals, so the District was involved. A copy was not provided ahead of time and the report stated you may or may not save some if the numbers are accurate. He noted the net of it is, you might save something, you might not. Gary asked whether or not the numbers are different because of legal fees. Gary added there is a fundamental agreement on the City's part by combining resources of two entities there are redundancies somewhere and there will be cost savings and asked Moss Adams for help to identify redundancies. Jennifer Stevenson added she knows she is new to this and she feels her primary duty as a Commissioner is to the rate payer, that will be her primary focus. From everything she has heard or read she believes the ordinance does violate the 2005 agreement. Gary Petershagen called for a vote of the Resolution 2020-01. Bret Gailey, Marcus Tageant and Gary Petershagen voted aye, and Kevin Kosche, Dan Lorentzen and Jennifer Stevenson voted No.

The committee agreed to take public comment early.

Pat Cook commented he heard a lot about how small government is the best type of government, it's not bloated, it operates more efficiently. The Sewer District should be commended on the facility that they have and what they are doing for the environment. It has done this without City government intervention for years. They have one service to provide to the taxpayers, that's sewer. When the City takes over, we lose efficiency, and the government decides where to put that money. When a city takes over the special purpose district it can choose to take and put money into the general fund. You also have competing agencies in the city to compete for that money. By the City taking over the Sewer District what we'll have is inflated costs for the sewer. The District is able to focus on sewer

only, it's an efficient way to operate. In his mind the smallest form of government is the best form of government. What the City should focus on is governing and not running sewer, water, etc. He has quite a bit of experience with special purpose district and when it gets larger it becomes more inefficient, they always say there will be a cost savings but cannot project or pinpoint a spot in time when they will start saving money. He doesn't think the City should take over the Sewer District, they have been operating efficiently and effectively for years. They have the taxpayer's best interest and do a far better job at providing the best possible sewer service at a much lower rate. So, for the City to get involved, in his estimation, the sewer rates will increase with the taxpayer losing in the end.

Andrea Wright echoed Mr. Cook's comments. The resolution 2020-01 states a collaborative transfer will result in four main comments. First a reduction of costs to rate payers, as an average citizen it looks like a money grab. After much research and taking to many she does not see a reason to rush to consolidate the Sewer District with the City. When many cities are slashing budgets. Why is Lake Stevens not reducing their budget, instead moving on with expensive projects they don't have the revenue for. She would feel more confident in the City's fiscal responsibility if the Chapel Hill property was for sale and the 2021 budget was being reduced. Local businesses are struggling financially yet the City hired five more employees and added a hefty mayor salary. The Sewer District has seen a decrease in revenue from business shut down. No one is taking about the true cost of the consolidation; Moss Adams estimates this cost at \$2 million and any savings will never be passed on to the rate payer. Second mentioned the City will better manage growth, as far as managing growth, ask any resident our City has shown its inability to keep up with the massive housing growth and transportation boom. She continued her experience with working with the City with minor issues in her neighborhood and major issues in the development behind her home is the City will gladly look the other way for developers and builders. They are not the advocate for the residents, when the District speaks, they always hear the benefits to the rate payers. Third, enhanced economic development. Is it realistic to consider Hartford as a major industrial growth with the road sinking, significant water runoff and the wetlands not being addressed. Forth, is reduction in government. This is not a reduction in government, it is beefing up the City's bank accounts, and all comes down on the shoulders of the citizens. The Sewer District keeps asking if their decisions are in the best interest of the rate payer, what I would like the City to ask is, is this in the best interest of the taxpayer and the answer is clearly no.

- c. **Employee Retention** – Kevin Kosche noted there has been some discussion regarding employee retention. He stated he has not discussed this with fellow commissioners prior to this meeting. Most pure form of government is a 3-member commission. He is seeking City's input (and any recommendations) at the same time as communicating this topic to fellow commissioners. He read aloud a prepared statement "The Districts employees are the reason the District has achieved the multitude of accolades, and the outstanding financial results, over the past 5 years. Employees who know they are appreciated, supported and have a degree of predictability in their jobs, are much more likely to solidify into a team who delivers exceptional results, and one that has a CULTURE of accountability. While we are an imperfect organization, we have found a way to amplify each of our unique strengths and in doing so, have delivered both exceptional Environmental Value and Rate Payer

Value. Over the past five years, the repeated attempts by the City to prematurely absorb the Rate Payers Assets, currently managed by the District, has impacted the degree of predictability our employees have been promised. Because of these actions by the City, I believe the District now needs to explore ways we can provide our rank-and-file employees additional assurance. I welcome input from my Utility Board members on the following approach, which I hope to start solidifying in the coming weeks. To provide employees an additional assurance of their employment, the following compensation would be granted for any employee Involuntarily separated, not for cause, prior to 2033: 5-15 years of completed service give 3 months compensation, 15 to 20 years give 4 months compensation and 20 plus years give 6 months compensation. Our employees are valuable individuals, not synergy estimates. Note: the above approach costs our rate payers zero, as long as the District Employees are treated fairly.”

Gary asked if Kevin would send that to everyone so it can be added to the agenda for the next meeting.

- d. Reserve Fund Assurance** – Kevin Kosche stated this is the same, he has not discussed this with fellow commissioners prior to this meeting. Most pure form of government is a 3-member commission. He read his statement aloud “In the early 2000’s the Districts commissioners decided to increase rates, in anticipation of the new Sewer Plant build. The desire was to raise rates slowing, advance of the capital spend, and resulting increase in operating expense (debt payments) so that rates could be more stable over the long run. Of the monies collected, here are two pools which remain on the District Books: The Rate stabilization fund \$4.4M in 131-44/136-44 Rate STBLZN CNTY POOL and SRF Reserves \$3.6M in 131-46/136-46 SRF RESERVE CNTY POOL. I believe it is of paramount importance that both these pools of monies be utilized, at the time they are unencumbered, for the specific purpose for which they were collected: A: Reducing the principle of the existing bonds and/or, B: Defraying future rate increases and/or C: Returning the monies to the rate base. The SRF Reserves need to stay in place until the SRF bonds requirements are satisfied. The Rate Stabilization Funds can be addressed immediately. In the case of the Rate Stabilization Funds, the District has proven we can deliver high quality service (in fact, recognized statewide) at our existing rate structure (no increase for past 5 years), and no plans to raise rates for 2021 or 2022. So, the question is if we no longer need the Rate Stabilization funds to stabilize rates, and if we do not have bond provisions that allow advanced payment of principle, should we consider returning this \$4.4M back to the rate base, in the way of a credit per Rate Payer? Based on recent community input, it might be worth the expense to do an advisory ballot measure, so we can hear directly from the rate base as to their preference. One approach could be to return the monies now, let the rate payers utilize their monies for their own needs, and then raise rates at a later date, only when it is completely necessary. I welcome your thoughts.”

Gary Petershagen asked for this to be emailed also. He asked if rates are so stable why do you need the rate stabilization fund. Kevin replied those funds were over \$8 million a couple of years ago and at the last bond refinance the District took half of that money and applied it to those bonds. The answer is, it wasn’t always so certain. When the District took on the new plant it wasn’t always predictable as it is now through hard work. Dan Lorentzen added

having just heard this, the money was collected to either pay for the debt on the new treatment plant, paying the bonds down and if there are previous why the District cannot do that then the District has a duty to return the money back to them and giving it back to them. It's not about collecting taxpayers' funds just because you can. He doesn't believe putting it on a ballot as it costs money, he doesn't believe one rate payer would disagree. The District received over \$13,000 from the VOA to help rate payers with their bills. Gary noted the talk about future updates the treatment plant is a thought for some of that money and the City gave \$150,000 to the VOA to be able to help distribute payments to those customers. Kevin noted there are additional reserves and capital reserves and carries \$3 million in OpEx. Kevin believes there is a placeholder for the plant in the mid \$20 million. Brett Gailey noted giving money back to the rate payers it's a win and asked if this discussion was brought up when rates were set for 2021. Kevin replied rates are evaluated and not set. One of the key summary documents is page 13 of the financials, it is where the District is at. Every time the District goes through the financials, they look at the trending rate to the OpEx reserve line at the end of the year. The \$3 million reserve gives that buffer. Tonya Christoffersen, as an employee through December on a very part time basis, noted talk happened in second quarter about not raising rates with the current pandemic. The District took a hard look at the budget and with not knowing where things were going and are looking at the budget on a consistent basis. Recognizing, making an adjustment in the District budget to not affect the rate payers. Kevin noted in full transparency and fairness, one of the reasons the District has been so successful in balancing rate increases is because of the growth in Lake Stevens. There are more rate payers sharing the burden of the infrastructure in the ground, it provides economic leverage to keep rates stable.

- e. **Schedule for 2021 Utility Committee Meetings** – Dan Lorentzen noted based on the Unification agreement setting forth the schedule based on the unification agreement to meet quarterly. Scheduling meetings in line with times of the year when things come up to maximize the best time resource in each quarter to plan accordingly.

4. **Public Forum:** already done

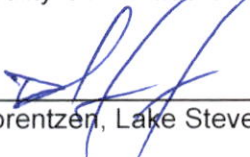
5. **Information Sharing:**

- a. **Old WWTP Decision** – Gene Brazel noted he pushed hard to get the report out. The report noted the site is clean. The Mayor has drafted a letter to accept the property from the District to the City and will be getting that over to the District. He isn't sure if the Mayor can accept that or if it needs to go through the city council, he will work that out with the attorney. Kevin noted he believes the District should work through their attorney to make sure it is done properly on the District's side too. Gary agreed it would be appropriate on both side; attorneys speaking to come with an agreement. Marcus agreed he is for it as well.
- b. **District Budget Forecast Review** – Kevin Kosche noted a lot of the District's information through September has been provided. He would entertain any specific questions on any items. Gary and Marcus noted they are not aware of any questions.
- c. **Civic Center Discussion** – Brett Gaily noted the City is still in the planning phase and waiting to hear back from the Library on what they would like to participate. There were some initial numbers given that make this a hefty project but with the numbers they are also

looking at ways to mitigate expenses; shared leasing if it can get there. The meeting on this is today at 2pm.

6. **Utility Agreement** – Kevin Kosche noted this is line item is a placeholder for continuing to work through items identified in mediation. He would be in favor of outlining the 4 meetings for 2021 as Commissioner Lorentzen indicated. He would be open to an additional meeting in addition to those four as it relates to working through items identified in mediation. Dan Lorentzen noted as chairperson for 2021 he would be happy to meet with a City representative to keep on track.
7. **Project Review:**
 - a. **Costco Updates, et all (Decant, etc.)** – Russ Wright noted the City is over 1000 building permits for the year, which also includes things like tenant improvements and plumbing permits. This is a new high for the City. Land use permits are well over 200 for the year as well. The Costco development, the City won its appeal from the hearing examiner and the claims of the appellant were dismissed. The appellant has moved on to an appeal through superior court. They are hoping to get this resolved early in the year. The development of North Cove park is moving forward. Johnathan Dix reported today the vertical walls are being poured on the decant facility. They are working on a couple minor issues. Gene noted it's his understanding the steel part of the building is taking some time to get. He would be surprised if it would be done by the end of January but that is what he is still being told. Johnathan replied it has been difficult to get revisions back and there was a delay. Gene updated on North Cove Park phase 2 is under construction. The playground structure has been installed and the fake grass/turf has been installed. This particular playground structure is fully ADA accessible, it's the first in Lake Stevens like this. The restroom and picnic shelter are framed up as well as a viewing deck to come. Johnathan noted the District has received the 30% plans for the downtown business loop gravity line replacement, approximately 1500 feet of sewer will be replaced near Main Street, plans should be sent to the City for their comments next week.
8. **Schedule the Next Meeting** – The next meeting scheduled for January 26th at 4:00 pm. Dan Lorentzen noted if the City committee members would like to have a discussion about someone to talk with Dan to plan out meetings. By unification agreement meetings are every quarterly. In the first meeting of the new year a discussion should be on the reserve funds, unification agreement, and in regard to the ordinances. Gary confirmed Kevin would send over the two items he talked about, employee retention and reserve fund assurance. Gary and Marcus both welcomed Jennifer to the committee.
9. **Adjourn** – Gary Petershagen adjourned the meeting at 10:41 am.

2021 Utility Committee Chair:



Dan Lorentzen, Lake Stevens Sewer District

Discussion: "Collaborative Transfer" as opined by Commissioner Kevin Kosche

While the resolution passed today does a reasonable job succinctly capturing the history and key contractual obligations of both the City and District, I would like to take a few minutes to provide some additional context leading up to this meeting.

Lake Stevens Sewer District was established in 1959 with two purposes: First, to protect the environment and Second, to do so delivering maximum RATE PAYER VALUE.

The District has built the "new" treatment plant, expanded access and managed the unified system to the point of receiving a near UNIVERSAL of accolades from all parties involved including: Washington State Department of Ecology, Washington State Auditors, Independent Performance Audits, Rate Payers with process and infrastructure backgrounds and even this combined City / District Utility Committee that is meeting today. The District will not have a rate increase for the FIFTH year in a row, has significant financial reserves and has reduced outhandling debt from \$105M to \$74M in just 5 years! The District has also supported EACH and EVERY Annexation that City has put forth. Even those which have not aligned with the Districts RATE PAYER VALUE approach . . . those annexations that were NOT put to a public vote. In short, the City has received SIGNIFIANT BENEFITS and CONSIDERATIONS at the first HALF of the agreements time period (2005 – 2020). The Districts BENEFITS and CONSIDERATION largely comes at the back end of the agreement, where the District is allowed, per the 2005 Unification Agreement, to continue to run the combined system until 2033 (20 years after the commissioning of the new plant, which occurred in 2012). To deprive the District of their benefit and consideration which occurs at the back half of the agreement, is at best disingenuous, and at worst dishonest.

The City has tried multiple avenues to gain EARLY access to the Rate Payers Assets, which are currently being managed by the District. There have been multiple cost/benefit analysis' done, there have been Commissioners recruited with the desire they would vote to move the District over to the City's control earlier than 2033. A previous commissioner was aggressively pursued, claiming he was no longer in living in the District and therefore not qualified to hold office; This spurious pursuit was used as leverage to encourage him to facilitate an early assumption of the District by the City. There were two attempts to leverage/block the 2018 bond refinance (which is saving rate payers over 10 millions dollars in interest) as a reason to merge the District into the City, and only through public outcry was the City moved to remove their objections to the Bond Refinance.

And all this history brings us to 2020 where the City has on Tuesday, December 8th chosen to make yet another attempt to gain premature access the Rate Payer Assets, currently managed by the District. The timing of this latest attempt comes at a time where the City has expressed ever increasing frustration at the Districts **Rate Payer Value** stance on a number of issues, these include:

1. Costco. City has made multiple requests of the District to "stretch" what the District could contribute to the infrastructure costs of Costco. The Districts RATE PAYER VALUE position has been "Development pays for Development" and the District would NOT put the cost of Costco infrastructure on the backs of our rate payers. In addition, the District has verbally expressed grave concern regarding potential, alleged conflict of Interest of a specific City Council member by NOT recusing himself during critical votes related to Costco, while he was to benefit financially in property sales relating to the Costco development.

2. The Proposed Civic Center. District insistence that the Districts financial participation be limited to existing expense exposure (which provides minimal contribution, as the rate payers already own the District's Vernon Road Business Center free and clear). From a Rate Payer Value perspective, it does not make sense to increase expenses, for the same square footage. Further, the District has offered up to 2K SF of office space to the City to create a "one stop shop" permitting office where we co-locate both District and City staff. This would, in part, help avoid having to invest in excess of \$20M in a new Civic Center.

3. Legal Fees. Districts instance on identifying the legal expenses directly related to the City's desire to prematurely absorb the Rate Payer Assets, currently managed by the District, instead of constructively working with the District. Fees are in excess of \$200K and counting, with ZERO rate payer value to date. Undoubtedly, this latest City attempt at premature assumption will add tens of thousands of additional legal expenses, with again, zero rate payer value.

4. Hiring process for Districts recent General Manager. The City's recommended a hiring process was inconsistent with their own hiring practices. In fact, as part of the City's "Official Protest" (dated October 12, 2020) Mayor Gailey wrote ". . . formally request the District's Legal Council review this mater to ensure it complies with the Washington State Ethics Code". When comparing the City's recommendations to comply with a specific highly analytical and quantifiable process, as well as Ethics Code compliance, I see a fair amount of hypocrisy compared to the City's actual hiring practices of their last two Parks and Recreation Managers (one of which ended up being the then Mayor's Brother In Law, and the second person was hired while in a personal relationship with a City Council member).

5. Breach of public meeting laws by City employee. On October 16, 2020, a City employee who by District records had never previously attended a District meeting, dialed into a posted Executive session, ignored (or did not hear) THREE announcements of executive session, and proceed to listen in for 15 minutes. Only when the District discovered the dial in call was not a "double entry" on the meeting platform, was the caller was forcibly disconnected. Upon further research by the District, it was discovered the person in question was a Manager level employee for the City. The Cell phone in question (when called) had no voice mails set up, nor did the City's front office staff recognize the number. The explanation provided by Mayor Gailey lacked sufficient details to satisfy the District for such a substantial breach of conduct, and a FOIA was submitted. The Districts Investigation into this situation is ongoing.

6. Questionable Synergy Savings. In the City's recently sited "Independent Analysis" (which cost the community another \$30K) indicates that savings could range from NEGATIVE \$25K to Positive \$595K. The District was not provided an opportunity to review the report, prior to publishing, and the analysis has underlying errors in both research and assumptions. If "savings" are a key focus for the City, the City could save an equal amount (at the midpoint of the "Independent Analysis" findings) by continuing to pay our current Mayor the compensation that was in place, when he chose to run for the position, and NOT to increase the compensation by 4X or approximately \$80K per year, after less than a year in office.

In summary, The District has delivered on key benefits and considerations the City desired since the 2005 Unification Agreement was signed. Since 2016, the City has repeatedly attempted to deprive the District of our benefit / consideration outlined in the 2005 Unification agreement by prematurely forcing the absorption of the District.

The timing of the latest attempt by the City to prematurely assume Rate Payer's Assets, coincides with a series of Rate Payer Value stances the District has taken, including: 1) Appropriate use of Rate Payer assets for Costco underlying infrastructure; 2) Appropriate use of Rate Payer assets for the proposed New Civic Center; 3) Zero rate payer value resulting from over \$200K in City initiated legal expenses, and the Districts insistence to track and report as the legal expenses as they continue to grow; 4) Hypocritical recommendations in hiring practices; 5) City's breach of public meeting laws; and 6) Questionable synergy savings.

Given the history, approach and fact patterns presented. I believe the City's motivations are more aligned with absorbing the Districts substantial financial reserves, and to have 100% control of both Sewer Rates, and the ability to levy a Utility Tax on said rates.