



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

**DRAFT AGENDA
COMMISSIONER MEETING
March 11, 2021 at 9:00 AM**

VIRTUAL MEETING:

Our Meeting is via Go To Meeting: (You will be asked to identify yourself for our sign in sheet)

You can dial in using your phone:

United States (Toll Free): [1 877 309 2073](tel:18773092073)

United States: [+1 \(312\) 757-3129](tel:+13127573129)

Access Code: 646-704-685

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **AGENDA APPROVAL**
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail):

	AMOUNT	CHECK #'s
A. Minutes: Jan 14 & 28, Feb 3, 11, & 25		
B. Lien Placements (0) Lien Releases (0)		
C. Investments Withdrawals Transfers		
D. Payroll		
E. 40 – Maintenance		
F. 48 – SRF Principle & Interest Payment		
G. 50 – City of Lake Stevens Bond Payment		
H. 58 – Capital Expenditures		
I. 60 – PWTF Principle & Interest Payment		

5. **PUBLIC FORUM – Non-action Items** (please limit comments to 3 minutes)
6. **OLD BUSINESS**
 - A. PUBLIC HEARING on Surplus of Real Property (400 & 500 Sunnyside Blvd SE) (please limit comments to 3 minutes)
 - B. Resolution 998 – Declaring real property surplus and authorizing the GM to execute a quit claim deed to transfer ownership
7. **NEW BUSINESS**
 - A.
8. **MANAGERS' REPORTS**
 - A. General Manager
 - B. Assistant General Manager
 - C. Treatment Plant Update
9. **CITY REPORT**
10. **COMMISSIONERS' REPORT**

11. EXECUTIVE SESSION

12. CONCLUDE

NOTICE: All proceedings of this meeting are audio recorded, except Executive Sessions

****PLEASE NOTE:** Due to the Governor's 'Stay at Home' order the LAKE STEVENS SEWER DISTRICT WILL NOT ACCEPT in-person, verbal citizen comments during the regular meetings. Alternatively, those wishing to provide public comment will have the opportunity to deliver public comment via the following: (*You must include your name and address)

1. Email: tara.bighouse@lkssd.org
2. Phone: 425-334-8588

All comments received before the meeting start time will be addressed during the public comment at the regular meeting.

If you would like to listen to the Lake Stevens Sewer District Board Meeting via Go To Meeting, please check out the posted Agenda or the Districts Calendar for call in info for each meeting.



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

**MINUTES OF
COMMISSIONER MEETING
January 14, 2021 at 9:00 AM**

Attendees: By Remote Participation via GoToMeeting Commissioners Dan Lorentzen, Jennifer Stevenson and Kevin Kosche. District Staff: Mariah Low, Johnathan Dix, Tara Bighouse, Bryan Steen, and Jim Heitzman. District Engineers: Barry Baker and Leigh Nelson, G&O. Legal Counsel: Brad Cattle and Kinnon Williams. City: Gene Brazel, Administrator.

1. **CALL TO ORDER** – At 9:00 AM, Commissioner Lorentzen called the meeting to order and read a prepared statement regarding our virtual meeting and public comment.
2. **PLEDGE OF ALLEGIANCE** – Commissioner Lorentzen led those present in the Flag Salute.
3. **AGENDA APPROVAL** – Commissioner Kosche moved to approve the agenda as written. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail) – Commissioner Kosche moved to approve the Consent Items A through I. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: Dec 11, 17, 22 & 23		
B. Lien Placements (25)	NA	
Lien Releases (29)	NA	
C. Investments	\$643,754.69	
Withdrawals	\$43,056.86	
Transfers	\$281,630.38	
D. Payroll	\$229,890.13	
E. 40 – Maintenance	\$225,302.60	Checks 8238-8297
F. 48 – SRF Principle & Interest Payment	NA	
G. 58 – Capital Expenditures	NA	
H. 58 – Capital Expenditures	\$43,056.86	Checks 8298-8299
I. 60 – PWTF Principle & Interest Payment	NA	

5. **PUBLIC FORUM – Non-action Items** (please limit comments to 3 minutes) Commissioner Lorentzen asked if there were any public form comments or questions submitted. Tara Bighouse replied we have not received any comments or emails.
6. **OLD BUSINESS**
 - A. 2021 Board Positions – Commissioner Kosche moved to appoint Commissioner Lorentzen to continue as Commission President. Commissioner Stevenson seconded the Motion. The Motion passed unanimously. Commissioner Lorentzen moved to appoint Commissioner Kosche as Commission Secretary. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
 - B. Financial Options Discussion – Mariah Low noted Mickie Cooper will report on what can be done with the rate stabilization fund. Mickie Cooper showed a power point on the comparison of paying off the SRF loan from the rate stabilization fund. By paying off this loan the District would be able

to reduce the rate to \$85.00 for one year, transfer one dollar of the rate to put to the capital. It would also delay the rate increases by a year. She noted there has been an increase in permits so far for January. She shows the debt service ratio, which doesn't change coverage much keeping us in compliance. Mickie showed the capital spreadsheet, paying off the loan the District wouldn't go negative until 2026, compared to the 2024 if we put the \$1.00 into capitol. Commissioner Kosche would like to see a scenario without dropping the rate to see keeping at \$86.00 as long as possible. He would like to better understand the options expanding the plant or rerating the plant, etc. He would like to see options and plans around upgrading or expanding the plant to shrink the cost expansion of the plant down. He would like to see the possibility to move OpEx into capital and what that looks like. Mariah Low noted as part of the comp plan, G&O is taking a look at the plant and what can be done about the cost to upgrade as well as options for incorporating more capital funds into the rates.

- C. Agenda Packet/Website Discussion – Mariah Low noted there was an inquiry from a citizen to include the entire packet on the website. The impact to the District is minimal. Commissioner Kosche replied more information is better since it's not a lot of work. Commissioner Lorentzen and Stevenson agreed.

7. NEW BUSINESS

- A. Sole Source Justification for JWC to Rebuild Headworks Band Screen – Johnathan Dix reported many of the components at the treatment plant are showing wear and tear. The headworks screen is one needing replaced. JWC is the sole source for the headworks screen and it cannot be outsourced. He would like to get approval for JWC to rebuild the headworks band screen. Commissioner Kosche moved to approve Sole Source Justification for JWC to Rebuild Headworks Band Screen. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
- B. Authorize the General or Assistant Manager to Sign the JWC Maintenance Agreement not to Exceed \$90,000 – Commissioner Kosche moved to approve authorizing the Assistant or General Manager to Sign the JWC Maintenance Agreement not to Exceed \$90,000. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

8. MANAGERS' REPORTS

- A. General Manager – Mariah Low reported the generator was picked up by the City yesterday. Customer service worked hard to reduce the number of liens by 53% from last year and 702 less delinquent accounts in 2020 compared to 2019 which saved the District \$41,680. The District updated the emergency plan for the Treatment Plant and the Coronavirus Virus Preparedness Plan, the county set the Southeast Interlocal Annexation Agreement Joint Public Hearing for 3/9/21 at 6pm. The District is a party to this ILA between the City and County but will need to pursue one of the other methods of annexation under RCW 57.247 for annexation in the future. She noted staff jumping in to help where needed from storm drain cleaning, moving sandbags and helping commercial business. The Staff is the most valuable asset the District has and is very proud of the team.
- B. Assistant General Manager – Johnathan Dix reported there are 2020 320.21 GFC's and 438 permits issued and starting January with zero GFC's and 4 permits year to date. He commended both the field and treatment plant with their reaction to the weather. Due to their hard work and reaction there was not a single spill. He noted the 2035 treatment plant upgrade discussion to rerate the plant part of the information is what department of ecology for nutrients. With several lawsuits file it may delay the results and what the limits will be and may not have all the answers

as soon as the District was hoping. Commissioner Kosche asked about the INI downtown with the water level being so high. Johnathan replied smoke testing was intended to be done but staff has been booked; they installed six flow meters at strategic point to give data over time. This will help to identify where the biggest INI contributors are.

C. Treatment Plant Update – Jim Heitzman reported the plant had a good time at the Christmas party. He noted there has been quite a bit of INI and good job to staff for all their hard work and communication. There are 5 continuous improvement goals for the year, one of which is SCADA security and it is has been implemented. Commissioner Lorentzen asked what the flows have been. Jim replied it has been from 5.8 to 6 MGD lately with the weather.

9. CITY REPORT – Gene Brazel the outlet channel from the lake received an emergency permit to remove vegetation and other debris causing a blockage is still plugged 99th covert blockage is till plugged and trying to find the solution, hoping for resolution soon. 20th street SE widening project is shut down for winter. The 91st street road extension is underway at future Costco site. Public works shop will be getting an overhaul starting Monday. The decant site should get it steel building about mid-February. Festival street downtown will be constructed this summer.

10. COMMISSIONERS' REPORT – Commissioner Kosche noted he is excited to look at financial options to use for the rate stabilization fund to utilize those funds for what they were intended for. He noted to staff that he wonders how things are going but he never worries. He has confidence in staff after seeing the results over the years. He noted the unification agreement continues to provide steadfast District support on annexations as it has in the past and he sees the value in the agreement. Commissioner Lorentzen agreed staff does an excellent job and frees up the Board to not worry.

11. EXECUTIVE SESSION – Brad Cattle stated the Commission will now recess into Executive Session at 9:48 AM and excused the general public; it is estimated the executive session will last until 10:05 AM. The purpose of the Executive Session, under RCW 42.30.110.i, is to discuss with legal the prospect of litigation. At the conclusion of the Executive Session, there will not be action taken by the Board of Commissioners and there will not be any announcements made. The Commission Meeting will be adjourned at the conclusion of the Executive Session without an announcement.

The executive session was formally extended for 25 more minutes.

12. CONCLUDE – Commissioner Kosche moved to adjourn the Board Meeting. Commissioner Stevenson seconded the Motion. The Motion passed unanimously at 10:32 AM.

Signed at a regular open public meeting this 11th day of March 2021

Dan Lorentzen, President and Commissioner

Jennifer Stevenson, Commissioner

Kevin Kosche, Secretary and Commissioner



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

**MINUTES OF
COMMISSIONER MEETING
January 28, 2021 at 9:00 AM**

Attendees: By Remote participation via Go To Meeting Commissioners Dan Lorentzen, Jennifer Stevenson and Kevin Kosche. District Staff: Mariah Low, Johnathan Dix, Melonie Grieser, Jim Heitzman, and Mickie Cooper. District Engineers: Barry Baker and Leigh Nelson, G&O. Legal Counsel: Brad Cattle and Kinnon Williams. City: Mayor Brett Gailey and Gene Brazel, Administrator

1. **CALL TO ORDER** – At 9:00AM, Commissioner Lorentzen called the meeting to order and read a prepared statement regarding our virtual meeting and public comment.
2. **PLEDGE OF ALLEGIANCE** Commissioner Lorentzen led those present in the Flag Salute.
3. **AGENDA APPROVAL** Commissioner Kosche moved to approve the agenda as written. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail) – Commissioner Kosche moved to approve the Consent Items A through I. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes:		
B. Lien Placements (0)	NA	
Lien Releases (0)	NA	
C. Investments	\$418,506.62	
Withdrawals	\$41,086.50	
Transfers	\$22,541.49	
D. Payroll	NA	
E. 40 – Maintenance	\$176,387.05	8301-8343 & EFT 143
F. 48 – SRF Principle & Interest Payment	\$135,201.29	8348
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	\$41,086.50	8344-8347
I. 60 – PWTF Principle & Interest Payment	NA	

5. **PUBLIC FORUM – Non-action Items** (please limit comments to 3 minutes) Commissioner Lorentzen asked if there were any public comments or questions submitted. Mariah Low replied no comments were received. Commissioner Lorentzen asked if any of the meeting attendees had comments or questions. District employee, Paul Knight, stated that all the District employees appreciate that the Commissioners have been addressing employee retention in concern for the possible assumption. Paul also asked if there had been any discussions if pay and salary would be affected if the merger took place. He was concerned about wage cuts if the City took over. Commissioner Lorentzen suggested we put it on the agenda for the next Utility Meeting. He also added that the Collective Bargaining Agreement does a lot to protect its members. Commissioner Kosche also said it would be addressed. The Commissioners appreciated the comment.

6. OLD BUSINESS

- A. Employee Retention - Commissioner Kosche stated this was talked about at the last two utility committee meetings and reiterated that statement for those in attendance. He

summarized his previous statement stating he would like to see compensation be granted for any District employee involuntarily separated, not for cause, prior to 2033: 5-15 years of completed service = 3 months compensation, 15-20 years completed service = 4 months of compensation, 20+ years of completed service = 6 months of compensation. This approach costs the ratepayers nothing as long as the employees are treated fairly. Commissioner Kosche asked Mayor Brett Gailey if he had anything to add at this time. He stated he has no additional comments. Commissioner Kosche suggested District staff work with legal on a plan. Commissioner Stevenson supported this process and would like to move forward with it. Commissioner Lorentzen agreed and said the District employees are the real asset of the organization. The District provides a service and the government employees are the asset. He didn't think a motion was needed now and could wait until more options are known and Commissioner Kosche agreed it could be done at a more suitable time.

- B. Debt Acceleration – Commissioner Kosche stated here have been conversations at the last two Utility Committee meetings about debt acceleration. He summarized his statement from those previous meetings for this meeting's attendees. He stated that in early 2000's the District increased rates in anticipation of the new plant to cover operating expenses and to keep rates more stable over time. There is approximately \$4.4 million in the Rate Stabilization Fund (RSF), 131-44/136-44 and an approximate balance of \$3.6 million in the State Revolving Fund (SRF) reserves, 131-46/136-46. It is important these monies be utilized for reducing principle of existing bonds and/or defraying future rate increases and/or returned to the rate base. He welcomed correction from anyone. Commissioner Stevenson agreed and thought it is a great idea to pay down the debt. Commissioner Lorentzen stated that the City had concerns and questioned if some of the money in the RSF was borrowed. This issue seemed to be cleared up at the last Utility meeting. The only question left from the City was about the cost of the future upgrade of the Treatment Plant. He stated that we are no where near the population targets and there is not as much available buildable land that was used for that upgrade estimate. The increase in customers over the next four or more years does not require a need for the plant upgrade. The Treatment Plant capacity can accommodate that growth and may need some upgrades but not as extensive as previously thought. Commissioner Lorentzen stated given that fact, he felt retaining that money in the RSF wasn't necessary and it can be used to pay debt down. The most equitable way to use those funds is to pay down debt as opposed to returning money to rate payers since rate payers have moved in and out of the area since collecting those funds. Turning over a debt free District to the City is a great idea. Mickie Cooper clarified the SRF reserve is not a bond but a loan. Once we pay off the loan, the reserve of approximately \$600K, can be released back to operating cash funds. The loan to be paid off is L1100012. Commissioner Lorentzen asked how much will be saved in interest if we pay off the loan? Mickie Cooper replied approximately \$600,000 in interest will be saved and the loan is currently due to be paid off in June 2032. There were no other comments. Commissioner Kosche moved to approve the use of the Rate Stabilization Fund monies and pay off Loan L1100012 in the amount of approximately \$3.6M leaving about \$800,000 in the RSF. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

7. NEW BUSINESS

- A. Voiding (check 8057) and Reissuing (check 8300) Lost Check to Gray & Osborne Inc.- Mariah Low noted the District received a signed affidavit from G&O for lost check number 8057. That check has been reissued as check number 8300. Commissioner Kosche moved

to replace check. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

- B. Resolution 994 – Johnathan Dix explained this Resolution No. 994 is a request that the Commission should consider declaring an emergency related to Lift Station 19. After the power outage a couple of weeks ago there were intermittent problems with the alarm management system of the Lift Station, so it can no longer notify staff of a malfunction. A lot of staff time has been spent by way of overtime manually monitoring it during days, evenings, and weekends. Resolution No. 994 would allow staff to secure Systems Interface Inc. to make the repairs without having to seek additional quotes, which would take more time, resources and increase the risk of a spill. Systems interface must retrofit the control system as many of the components are obsolete, so there are no direct replacements. The District's current Purchase Policy requires the District obtain two additional quotes. District staff suggest using this specific vendor since they designed and built the control system for this Lift Station when it was originally constructed. Commissioner Lorentzen commented that 60,000 gallons of wastewater go through that Lift Station every day and approving this Resolution for the emergency is much easier than having a potential catastrophic situation. Commissioner Kosche moved to approve Resolution No. 994 for this emergency. Commissioner Stevenson seconded that Motion. The Motion passed unanimously.

8. MANAGERS' REPORTS

- A. General Manager – Mariah Low stated District attorney, Kinnon Williams, has moved law firms and with that there is an engagement letter and transfer of files to switch with him. She asked the board to ratify the signing of those documents. Commissioner Kosche moved to approve signing the agreement letter for the law firm move. Commissioner Stevenson seconded the Motion. The Motion passed unanimously. Mariah noted Angeline Kyle created an interactive map that can be linked to our website and it should be live today. It's a very useful tool for the public and noted the City Council is having their retreat this upcoming weekend, she will be in attendance.
- B. Assistant General Manager – Johnathan Dix stated that the District has collected two connection fees and 51 permits issued year to date. Lift Station 19 repair started this morning and should be resolved by the end of day, and Lift Station 22 odor control project should be ready to advertise by early to mid-February.
- C. Treatment Plant Update – Jim Heitzman stated that WA State came out with a draft proposal about nutrient levels. He will inform District General Manager, Assistant General Manager, and G&O to discuss. This is a big money issue for the District. Commissioner Kosche asked if having a membrane plant is a help for nutrient removal. Jim said no, not with nitrate. The Plant processes activated sludge and forms nitrate. The efficiency of the plant and skill of District staff will lend some benefits, but membranes don't remove nitrates.

- 9. CITY REPORT** – Gene Brazel stated that the Public Works shop remodel is underway. He will be reaching out to Johnathan about Festival Street. The boat house and row club will move in March. The house next to the boat house was purchased by the City and taken down. The City clean-up will be on April 10th and solidifying those details now, they will be out soon. There are some positions opening at the City including, Crew Worker I and II, an Inspector, and four seasonal positions.

- 10. COMMISSIONERS' REPORT** – Commissioner Kosche recognized the City and District have some opposing views, but there are positives. He complemented the City employees on dealing with the lake level emergency and the dredging that was a great success. The lake level can really affect District business and it was handled fast and effectively which is greatly appreciated. He also gave

praise for the transfer to the City of the old Wastewater Treatment Plant. The City expressed interest and 18 months of work later, it has reached the end stages of finalization. The District and City worked great together and got it done. Commissioner Kosche continued the Decant facility is a great outcome for the City and District alike. Annexations over the years have gone smoothly and allowed the City to expand. We can lose sight of the progress that both entities have made. Commissioner Stevenson agreed and both organization's employees have done amazing and work great as a team. She also thanked the amazing District staff. Commissioner Lorentzen agreed.

11. EXECUTIVE SESSION – Commissioner Lorentzen announced the Commission would now recess into executive session at 9:51AM and excused the general public; it was estimated that executive session would last until 10:10 AM. The purpose of the Executive Session, under RCW 42.30.110.i, is to discuss litigation. At the conclusion of the Executive Session, there e will be no announcements or action to follow.

The executive session was formally extended at 10:10 AM for 6 minutes to 10:16 AM.

12. CONCLUDE – Commissioner Kosche moved to conclude the meeting. Commissioner Stevenson seconded the Motion. The Motion passed unanimously. The meeting concluded at 10:17 AM.

Signed in regular open public meeting this 11th day of March 2021

Dan Lorentzen, President and Commissioner

Jennifer Stevenson, Commissioner

Kevin Kosche, Secretary and Commissioner



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

**MINUTES OF SPECIAL
COMMISSIONERS MEETING ON
February 3, 2021**

Location: Lake Stevens Sewer District by Remote Participation via GoToMeeting

Attendees: By Remote Participation via GoToMeeting Commissioners Dan Lorentzen and Kevin Kosche. District Staff: Mariah Low, Johnathan Dix and Tara Bighouse.

1. CALL TO ORDER – Commissioner Lorentzen called the meeting to order at 1:30 PM.

2. AGENDA ITEMS:

A. District Updates – Mariah Low acknowledged the February Birthdays and Anniversaries. She gave an update on COVID.

Mariah gave a brief update on the projects going on including: downtown area, SR9 & 24th sewer crossing, comprehensive plan and flow meters, southeast interlocal annexation, Batchelder annexation, 91st Ave SE extension, LS11 upgrades, and Lake Stevens Apartments. The new nutrient general permit from the Department of Ecology will impose some nitrogen level limits that will impact the District's Treatment Plant. Kurt Myer note the District monitors the ammonia that is discharged from the plant, this week he has been monitoring the ammonia coming into the plant and it's been really small amounts. Mariah also noted, the secondary drop boxes will be closing as of February 28th and the physical box downtown will be moving to the Office as its new drive through drop box.

B. HRA VEBA – Emily Spencer gave a presentation about what is HRA VEBA, how to use it, what qualifies as an allowable expense and how to access it.

C. Employee Evaluations – District employee Rosalind Gorc gave a presentation on new forms and procedures coming for employee reviews.

D. Commissioner Comments – Commissioner Kosche wanted to make sure there was a place to comment for job growth and Commissioner Lorentzen reiterated VEBA is a good plan and he liked the idea of looking at a new evaluation process.

3. CONCLUDE – Commissioner Lorentzen concluded the meeting at 2:30 PM with no action taken.

Signed in a regular open public meeting this 11th day of March 2021

Dan Lorentzen, President and Commissioner

Jennifer Stevenson, Commissioner

Kevin Kosche, Secretary and Commissioner



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

**MINUTES OF
COMMISSIONER SPECIAL MEETING
February 11, 2021 at 9:00 AM**

Attendees: By Remote Participation via GoToMeeting Commissioners Dan Lorentzen, Jennifer Stevenson and Kevin Kosche. District Staff: Mariah Low, Johnathan Dix, Tara Bighouse, Melonie Grieser, and Jim Heitzman. District Engineers: Barry Baker and Leigh Nelson, G&O. Legal Counsel: Brad Cattle. City: Mayor Brett Gaily and Gary Petershagen.

1. **CALL TO ORDER** – At 9:00 AM, Commissioner Lorentzen called the meeting to order and read a prepared statement regarding our virtual meeting and public comment.
2. **PLEDGE OF ALLEGIANCE** – Commissioner Lorentzen led those present in the Flag Salute.
3. **AGENDA APPROVAL** – Commissioner Kosche moved to approve the agenda as written. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail) – Mariah Low noted the December 17th minutes were previously approved but have been updated to include the Motion appointing the Utility Committee Chair. Commissioner Kosche moved to approve the Consent Items A through I with the addition of the appointment of the Utility Committee Chair notation of the updated December 17th minutes. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: Dec 17, Jan 7, 12 & 26		
B. Lien Placements (19)	NA	
Lien Releases (31)	NA	
C. Investments	\$498,664.67	
Withdrawals	\$86,853.18	
Transfers	NA	
D. Payroll	\$226,596.46	
E. 40 – Maintenance	\$116,382.49	8349-8391
F. 48 – SRF Principle & Interest Payment	NA	
G. 58 – Capital Expenditures	NA	
H. 58 – Capital Expenditures	\$32,196.76	8392-8393
I. 60 – PWTF Principle & Interest Payment	NA	

5. **PUBLIC FORUM – Non-action Items** (please limit comments to 3 minutes) Commissioner Lorentzen asked if there were any public form comments or questions submitted. Tara Bighouse replied yes, we received one email from Gregg Ortega, 12421 123rd Ave NE, Lake Stevens – He emailed, “Ebey Island Drainage District needs the pumps, control panel, transformer and the wheel mounted generator for our Dike District. Our infrastructure is failing and we desperately need this equipment. “. Commissioner Lorentzen noted this was brought up in the Utility Committee Meeting and it was suggested for him to contact the City as the Property has been turned over to the City. Brett Gailey replied he is aware of Mr. Ortega and believes he is working with public works. Commissioner Lorentzen added the District would defer any more correspondence to the City.

6. OLD BUSINESS

- A. Resolution No. 995: Transfer Funds from the Rate Stabilization Fund to Pay the State Revolving Fund Loan – Mariah Low noted in the last meeting there was a Motion to move forward and this is the Resolution to pay off the loan number L1100012. It has been reviewed and is recommended by legal and staff. Commissioner Kosche added he appreciated the wording and detail in the Resolution because it captures the history succinctly in the process the District has gone through. Commissioner Kosche moved to approve Resolution No. 995: Transfer Funds from the Rate Stabilization Fund to Pay the State Revolving Fund Loan. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

7. NEW BUSINESS

- A. Add Rosalind Gorc as a Signer to the Aflac Bank Account at First Financial Bank – Mariah Low noted Rosalind Gorc is the Human Resources Generalist and one of her duties is to process Aflac requests, to do so she will need to be a signer on the account. Commissioner Kosche moved to approve adding Rosalind Gorc as a signer to the Aflac Bank Account at First Financial Bank. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

8. MANAGERS' REPORTS

- A. General Manager – Mariah Low reported the liens placed this month were the lowest since May of 2020. She commended customer service and accounting staff on their internal process improvement on the Caller log tracking and approval process. She attended the City's retreat January 29th and 30th to answer any sewer related questions as they came up. Mariah and John participated in the Hartford/Machias Industrial area preplanning meeting on February 4th. Later today she will be meeting with Gene Brazel to begin work on the items from the last Utility Committee Meeting. Mariah added the secondary drop box locations that will be closing end of the month. We have notified the public via the website, social media signs on the boxes and we've been keeping track of the customer that pay through the boxes so we can mail a post card.
- B. Assistant General Manager – Johnathan Dix reported there are 167.59 GFC's and 63 permits issued year to date. Lift Station 19 emergency has been fixed and the emergency system is working again. Yesterday the District received all close out paperwork for the Hewitt Retirement Housing also known as the Lake Stevens Apartments project and the District has formally accepted that sewer system. There was a Comp plan meeting last week regarding deliverables and there should be draft chapters to review with Commissioners at the next board meeting. Commissioner Lorentzen stated that the increase in the permits is great to see.
- C. Treatment Plant Update – Jim Heitzman reported the plant has been running very well. The light exchange program for energy efficiency has completed the replacement of 900, of approximately 1300, bulbs to date and staff continues to work on it daily. They have lost an employee and the reports including, EMR Storm water, biosolids and reports to regulators are now being done by Jeff with no complaints. Staff also continuing to review the new nutrient regulations from the Puget Sound Nutrient General Plan and Mariah Low, Jeff Baisch, and Kurt Meyer are doing great work on this together. Commissioner Kosche noted the nutrients changes from Ecology is a big deal; good work on this.

- 9. CITY REPORT** – Gary Petershagen reported the library is going through their visioning process for a future library and are starting the process. Commissioner Lorentzen added he heard the library was going to be moving to the old police station in the interim. Gary replied, that is correct it will be their interim location.

- 10. COMMISSIONERS' REPORT** – Commissioner Stevenson noted to the staff their continuous good job. Commissioner Kosche had nothing to add. Commissioner Lorentzen added it has come to the attention of WASWD the changes from Ecology on nutrients and hopes to see some head way made on this.
- 11. EXECUTIVE SESSION** – Brad Cattle stated the Commission will now recess into Executive Session at 9:25 AM and excused the general public; it is estimated the executive session will last until 9:35 AM. The purpose of the Executive Session, under RCW 42.30.110.i, is to discuss with legal the performance of a public employee. At the conclusion of the Executive Session, there will not be action taken by the Board of Commissioners and there will not be any announcements made. The Commission Meeting will be adjourned at the conclusion of the Executive Session without an announcement.
- 12. CONCLUDE** – Commissioner Kosche moved to adjourn the Board Meeting. Commissioner Stevenson seconded the Motion. The Motion passed unanimously at 9:36 AM.

Signed at a regular open public meeting this 11th day of March 2021

Dan Lorentzen, President and Commissioner

Jennifer Stevenson, Commissioner

Kevin Kosche, Secretary and Commissioner



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

**MINUTES OF
COMMISSIONER SPECIAL MEETING
February 25, 2021 at 9:00 AM**

Attendees: By Remote Participation via GoToMeeting Commissioners Dan Lorentzen, Jennifer Stevenson and Kevin Kosche. District Staff: Mariah Low, Johnathan Dix, Tara Bighouse and Jim Heitzman. District Engineers: Barry Baker and Leigh Nelson, G&O. Legal Counsel: Brad Cattle. City: Councilmember Gary Petershagen.

1. **CALL TO ORDER** – At 9:00 AM, Commissioner Lorentzen called the meeting to order and read a prepared statement regarding our virtual meeting and public comment.
2. **PLEDGE OF ALLEGIANCE** – Commissioner Lorentzen led those present in the Flag Salute.
3. **AGENDA APPROVAL** – Commissioner Kosche moved to approve the agenda as submitted. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail) – Commissioner Kosche moved to approve the Consent Items A through I. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: Jan 7 & Feb 9		
B. Lien Placements (0)	NA	
Lien Releases (0)	NA	
C. Investments	\$2,001,308.88	
Withdrawals	\$3,652,880.55	
Transfers	\$3,893.98	
D. Payroll	NA	
E. 40 – Maintenance	\$135,376.21	8394-8426, EFT144
F. 48 – SRF Principle & Interest Payment	\$3,562,880.55	8431
G. 58 – Capital Expenditures	NA	
H. 58 – Capital Expenditures	\$9,310.25	8427-8430
I. 60 – PWTF Principle & Interest Payment	NA	

J. Sedona DEA Addendum adding a Latecomer Parcel to the Project – This item was moved to old business item A bumping all items down.

5. **PUBLIC FORUM – Non-action Items** (please limit comments to 3 minutes) Commissioner Lorentzen asked if there were any public forum comments or questions submitted. Tara Bighouse replied no.

6. OLD BUSINESS

- A. Sedona DEA Addendum adding a Latecomer Parcel to the Project – Johnathan Dix explained this item adds a latecomer parcel to the DEA plat. Because this is out of the standard it is coming before the Board. It has been reviewed by legal, engineering and staff and is recommended for approval. Commissioner Kosche moved to approve Sedona DEA Addendum adding a Latecomer Parcel to the Project. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

- B. Authorization to Advertise for Lift Station 22 Odor Control for Bid – Johnathan Dix noted District staff is requesting Authorization to Advertise for Lift Station 22 Odor Control for Bid. District staff is recommending the advertising. Commissioner Kosche moved to approve the authorization to advertise for Lift Station 22 Odor Control for Bid. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
- C. Correction to Resolution No. 995: Correct payoff amount to \$3,562,880.55 based on a Department of Ecology Mistake – Mariah Low explained Resolution 995 was authorizing the payment from the rate stabilization fund for the SRF loan in the amount of \$3,744,775.05. The payoff amount had been provided by the DOE. However, there was an error on their end for the payoff amount and was less than the amount that was approved. The dollar amounts in the recitals for projected savings and reduced total annual debt payments were updated to \$602,844.78 and \$362,237.16 per year, respectively. We need to, by way of a board motion, correct this error in the resolution. Commissioner Kosche moved to approve the correction of Resolution No. 995: Correct payoff amount to \$3,562,880.55 based on a Department of Ecology Mistake. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
- D. Resolution No. 997: Adopting revised Pretreatment Regulations, and Adopting a Pretreatment Fee Schedule and Administrative Penalty Schedule – Mariah Low stated these resolution numbers will be out of order due a resolution number needed because Resolution No. 996 was required to be identified by number to the City of Lake Stevens and Snohomish County for identification in documents to be signed and will be subsequently adopted by the Board of Commissioners upon completion of the multi-jurisdictional proceedings Resolution No. 997 is adopted on February 25, 2021. Johnathan Dix explained this is a revisiting of the FOG Regulation, which have been renamed to Pretreatment Regulations to include industrial waste and consistent with our regulators through 40 CFR 403, Washington Administration Code (WAC) 173-216-070, and the District’s NPDES permit. There is a strong emphasis on regulating these industrial users due to the likelihood of receiving priority pollutants. The fee structure has been adjusted from the level of compliance issuing refunds to a 3 -tier system based on water usage. He explained in detail the added fee schedule for noncompliance. Commissioner Lorentzen stated he has no issues. The Commissioner agreed. Johnathan noted there is an appeal process also. Brad Cattle noted the Resolution sequence for transparency there is an end note on Resolution No. 997 with the description Mariah described to make it clear why it was out of sequence. Commissioner Kosche moved to approve the correction of Resolution No. 997: Adopting revised Pretreatment Regulations and Adopting a Pretreatment Fee Schedule and Administrative Penalty Schedule. Commissioner Stevenson seconded the Motion. The Motion passed unanimously
- E. Set Hearing Date for Surplus of Real Property (400 & 500 Sunnyside Blvd SE) for March 11, 2021 at 9:00 AM – Mariah Low noted the proposed Notice of Public Hearing for the Intergovernmental Disposal of Surplus Property was in the packet. This is for the old WWTP. The notice will need to be posted for at least 10-days prior to the hearing per RCW 39.33.020. Staff proposes the hearing be set for March 11, 2021 at 9 AM. Commissioner Kosche moved to approve setting the hearing date for surplus of real property (400 & 500 Sunnyside Blvd SE) for March 11, 2021 at 9:00 AM. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

7. NEW BUSINESS

- A. Consideration to Accept the Vendor JWC as the Sole Source Provider of Parts and Service of the Treatment Plant's 2-millimeter Primary Band Screen – Johnathan Dix explained JWC is the sole source provider for sole source for a few equipment items at the WWTP. The District is asked the Commissioner to make JWC the sole source provider for the 2-millimeter Primary Band Screen. Commissioner Kosche moved to approve accepting the vendor JWC as the sole source provider of parts and service of the Treatment Plant's 2-millimeter primary band screen. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
- B. Authorization of the Unbudgeted Repair and Rehabilitation of Both the Primary Band Screens at the Wastewater Treatment Plant – Johnathan Dix explained shortly after signing the approval for the headworks band screens. The primary band screens failed as well. He is asking for authorization to have the General Manager or Assistant General Manager sign the repair agreement with JWC with a budget not to exceed \$90,000. Commissioner Kosche moved to approve authorization for the General or Assistant Manager to sign off on the unbudgeted repair and rehabilitation of both the primary band screens at the Wastewater Treatment Plant. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
- C. Voiding Check 7939 for \$267.60 to Personal Best – Mariah Low explained this is a house keeping item. The District voided check number 7939 for \$267.60 made payable to Personal Best for the printed version of the Top Health Newsletters, the District already paid for the electronic version, so we do not need the printed version therefore didn't need to pay this bill. Commissioner Kosche moved to approve the acknowledgement of voiding check number 7939 for \$267.60 to Personal Best. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

8. MANAGERS' REPORTS

- A. General Manager – Mariah Low reported the Department of Ecology's Puget Sound Nutrient General Permit comments are being circulated amongst staff and will be sent to Ecology after staff review is complete. The District had a meeting with the permit writer for Ecology; it was good to have the introduction. This week the District had a flagger certification with 6 staff members certified. She noted some staffing needs, for the field position; there were 461 side sewer inspections in 2020 and already 68 so far in 2021, this is the third year of the pretreatment program and with 33 inspections per month, and an average of 455 locates per month. All of these inspections are primarily done by one Senior Collections System Operator, leaving a hole in the team. There is a vacancy from 2019 that was in the 2021 budget forecast. Mariah would like to create a Senior Collections System Operator and promote within to fill and then fill the vacated Collections System Operator position with an entry level individual either a I or Specialist in Training. The Treatment Plant Position has a Senior Treatment Plant Operator that was vacated in 2020, she would like to fill this vacancy with an entry level individual either a I or operator in training. It also was in the 2021 budget forecast. With 5 operators eligible for retirement in the next 5 years this would help with succession planning. This would adjust the forecast with a decrease of 2.79% in total salary and benefits and a 10.84% in MDVL benefits. The Commission agreed to move forward with the hiring.
- B. Assistant General Manager – Johnathan Dix reported there are 205.59 GFC's and 67 permits issued year to date. The District recently accepted the Sedona and LS Apartments plats. The decant facility is making a lot of progress with construction. There is an adjustment for the District's bay at the Decant facility to remove a portion of the wall to fit the vector truck. Angeline Kyle has applied to take the APWA Certified public infrastructure inspector test and has received notice she is approved to take the test hoping she will be a certified inspector by June.

C. Treatment Plant Update – Jim Heitzman reported the treatment plant is doing well. He appreciated the approval for the band screens. They are working with management and G&O on the nutrient permit changes.

9. CITY REPORT – Mariah Low noted Gene Brazel emailed his statement “Business as usual at the City. Work continues with preparing for this Summer’s construction of the festival street, “Mill Spur” in Downtown. First step, Lake Stevens Row Club begins this weekend removing all of their equipment from the building. The building will be prepared for the move to the new location next to the boat launch and moved in early March”. Gary Petershagen noted he has nothing more to report, just looking forward to the March 11th public hearing date for the surplus property.

10. COMMISSIONERS’ REPORT – Commissioner Kosche noted in the past the tracking of legal council costs, he would like to see this as a regular agenda item as the District and City move forward with litigation. For the old treatment plant on March 11th he is asking for the City to be ready to accept the old treatment plant property on that date. Gary Petershagen noted his last understanding is the documents for that transfer is at the District’s attorney. Brad Cattle updated the City’s attorney provided a form of a quit claim deed that had language that was not necessary for the City to take ownership of the property. The District will be providing a deed. When the public hearing is completed and passes the resolution, the deed will be a very simple quit claim deed to transfer the property. Gary noted he looks forward to getting that simple deed, so the City is ready to go. Commissioner Stevenson appreciated everyone working together as a team and appreciates being a part of it. Commissioner Lorentzen agreed.

11. EXECUTIVE SESSION – Brad Cattle stated the Commission will now recess into Executive Session at 9:25 AM and excused the general public; it is estimated the executive session will last until 10:15 AM or potentially earlier. The purpose of the Executive Session, under RCW 42.30.110.i, is to discuss with legal counsel a matter of pending litigation and contract negotiation. At the conclusion of the Executive Session, there will not be action taken by the Board of Commissioners and there will not be any announcements made. The Commission Meeting will be adjourned at the conclusion of the Executive Session without an announcement.

The executive session was formally extended to 10:30 AM.

12. CONCLUDE – Commissioner Kosche moved to adjourn the Board Meeting. Commissioner Stevenson seconded the Motion. The Motion passed unanimously at 10:31 AM.

Signed at a regular open public meeting this 11th day of March 2021

Dan Lorentzen, President and Commissioner

Jennifer Stevenson, Commissioner

Kevin Kosche, Secretary and Commissioner

RESOLUTION NO. 998

A RESOLUTION OF THE BOARD OF SEWER COMMISSIONERS OF THE LAKE STEVENS SEWER DISTRICT, SNOHOMISH COUNTY, WASHINGTON, DECLARING DISTRICT REAL PROPERTY SURPLUS AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE A QUIT CLAIM DEED TO TRANSFER OWNERSHIP.

WHEREAS, the Lake Stevens Sewer District operates a system of sewerage in the vicinity of Lake Stevens, Snohomish County, Washington; and

WHEREAS, the Lake Stevens Sewer District is a special purpose district organized under Title 57 RCW; and

WHEREAS, the Washington State Department of Ecology approved the decommissioning of the Wastewater Treatment Plant under permit number BA0020893 (the “Wastewater Treatment Plant”) and acknowledged the fulfillment of the closure plan for the Wastewater Treatment Plant on November 4, 2019; and

WHEREAS, the Wastewater Treatment Plant occupied the real property described as follows:

Parcel No. 1

Property Description: SEC 14 TWP 29 RGE 05RT-11B) TH PTN S 330FT SW1/4 NE1/4 LY WLY CO RD; SITUATED IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON;

Snohomish County Parcel No.: 29051400102900;

Property Address: 400 Sunnyside Boulevard Southeast, Lake Stevens, Washington 98258;

Parcel No. 2

Property Description: SEC 14 TWP 29 RGE 05GOVT LOT 3 & N1/2 GOVT LOT 4 TGW

S1/2 S1/2 SE1/4 NW1/4 & TGW THAT PTN OF NE1/4 SW1/4 LYING WLY OF OLYMPIC PIPELINE CO R/W EXC S 660FT & EXC N 330FT THOF SUBJ ESMT PUD NO 1; SITUATED IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON; Snohomish County Parcel No.: 29051400200500
Property Address: 500 Sunnyside Boulevard Southeast, Lake Stevens, Washington 98258
(Parcels No.1 and 2 are collectively referred to as the “Property”)

WHEREAS, all sewerage transmission lines to and from the Property were abandoned in 2013; and

WHEREAS, the Board of Sewer Commissioners of Lake Stevens Sewer District has determined that it is in the interest of the District and its customers to declare surplus the Property which is not and will not be needed for District purposes; and

WHEREAS, the *City of Lake Stevens And Lake Stevens Sewer District Unified Sewer Services And Annexation Agreement*, dated May 23, 2005, among many terms, established the District and City Sewer Utility Committee in Article 7, and the Property was discussed at the Sewer Utility Committee meetings since at least 2018. City’s Utility Committee representatives indicated on December 17, 2020 that the City would like ownership of the Property

WHEREAS, the District has conducted a public hearing pursuant to RCW 39.33.020 and the Board of Commissioners has considered all relevant public comment.

WHEREAS, because a majority of the District’s customers reside within the City of Lake Stevens, it is appropriate for the Board of Commissioners of the Sewer District to convey the Property to the City since the Property is surplus to the District and the Unified System.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LAKE STEVENS SEWER DISTRICT as follows:

1. The Board of Commissioners hereby determines that the Property is surplus to and not part of the Unified Sewer System and will not be needed for District purposes.

2. The Lake Stevens Sewer District Interim General Manager is authorized to sign the Quit Claim Deed transferring the Property to the City of Lake Stevens. The Interim General Manager is authorized to sign any other necessary closing documents to complete the conveyance transaction.

ADOPTED by the Board of Sewer Commissions, Lake Stevens Sewer District, Snohomish County, Washington at a regular open public meeting held on the 11th day of March 2021, at which the following Commissioners being present and voting.

LAKE STEVENS SEWER DISTRICT:

Dan Lorentzen, President and Commissioner

Kevin Kosche, Secretary and Commissioner

Jennifer Stevenson, Commissioner

When Recorded Return to:

Greg A. Rubstello
Ogden Murphy Wallace, PLLC
901 Fifth Avenue, Suite 3500
Seattle, WA 98164

QUIT CLAIM DEED

Reference Number(s) of Documents assigned or released: None.

Grantor: Lake Stevens Sewer District, a sewer district organized under the laws of the State of Washington

Grantee: City of Lake Stevens, a municipal corporation of the State of Washington

Tax Parcel No.: 29051400102900 and 29051400200500

WHEREAS, the Grantor, Lake Stevens Sewer District (“**Grantor**” or “**District**”), owns the real property described below (“real property”) which was formerly used for the operation of a wastewater treatment plant; and

WHEREAS, the Grantee, the City of Lake Stevens (“**Grantee**” or “**City**”), desires to acquire the real property for the benefit of its municipal purposes; and

WHEREAS, the real property was part of the “Unified Sewer System” as defined in the Unified Sewer Services And Annexation Agreement dated May 23, 2005 (“Unification Agreement”), as amended; and

WHEREAS, the real property is currently unutilized, not needed for District operations and is surplus to the Unified Sewer System thereby causing the District unnecessary expenses for its maintenance; and

WHEREAS, the City is willing to accept the transfer of ownership of the real property which would include any liability associated with ownership as well as assume the expenses related to the maintenance of the real property.

The Grantor, for and in consideration of good and valuable consideration including, but not limited to, relief from the expenses and potential liability from ownership, hereby conveys and quitclaims to Grantee all of Grantors' interest in and to the following described real estate, together with all improvements and appurtenances thereon and therein, situate in Snohomish County, State of Washington, together with all after acquired title of the Grantor therein:

Parcel No. 1

Property Description: SEC 14 TWP 29 RGE 05RT-11B) TH PTN S 330FT SW1/4 NE1/4 LY WLY CO RD; SITUATED IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON;

Snohomish County Parcel No.: 29051400102900;

Property Address: 400 Sunnyside Boulevard Southeast, Lake Stevens, WA 98258;

Parcel No. 2

Property Description: SEC 14 TWP 29 RGE 05 GOVT LOT 3 & N1/2 GOVT LOT 4 TGW S1/2 S1/2 SE1/4 NW1/4 & TGW THAT PTN OF NE1/4 SW1/4 LYING WLY OF OLYMPIC PIPELINE CO R/W EXC S 660FT & EXC N 330FT THOF SUBJ ESMT PUD NO 1; SITUATED IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON;

Snohomish County Parcel No.: 29051400200500

Property Address: 500 Sunnyside Boulevard Southeast, Lake Stevens, WA 98258

Signature page to Quit Claim Deed

DATED this ____ day of _____, ____.

GRANTOR:

LAKE STEVENS SEWER DISTRICT

By: Mariah Low
Interim General Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that Mariah Low is the person who appeared before me, and said person acknowledged that said person is the Interim General Manager of the Lake Stevens Sewer District and that she signed this instrument and acknowledged it on behalf of said District as her free and voluntary act for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal this ____ day of _____, 2021.

(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My appointment expires _____

ACCEPTED BY THE CITY OF LAKE STEVENS

Brett Gailey, Mayor