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 Website: www.lkstevenssewer.org

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

**MINUTES
 COMMISSIONER MEETING
 June 8, 2017 9:00 AM**

Attendees: Commissioners Frank McDaniel and Brent Kirk. Staff: Michael Bowers, Johnathan Dix, Caitlin Hubbard, Casey Mullins, Mickie Cooper, Kim Jones and Tara Bighouse. District Engineers: Barry Baker and Leigh Nelson Legal Counsel: Brad Cattle. City Liaison: Councilmember Rauchel McDaniel.

1. **CALL TO ORDER** - At 9:00 AM, Commissioner Kirk called the Meeting to order.
2. **PLEDGE OF ALLEGIANCE** – Commissioner Kirk led those present at the Meeting in the Flag Salute.
3. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail). Commissioner McDaniel moved to approve the Consent Items A through I. Commissioner Kirk seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: May 25		
B. Lien Placements (112)	NA	
Lien Releases (72)	NA	
C. Investments – (see fund balance sheet)	\$500,090.00	
Withdrawals	NA	
Transfers	\$90.00	
D. Payroll	\$175,803.37	
E. 40 – Maintenance	\$102,556.13	4360-4389 & EFT98
F. 48 – SRF Principle & Interest Payment	NA	
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	NA	
I. 60 – P WTF Principle & Interest Payment	NA	

- J. Clock Tower 2014 DEA Addendum – Leigh Nelson explained we have an extension for work that is almost complete, but the DEA is expiring. Commissioner McDaniel moved to approve Clock Tower 2014 DEA Addendum. Commissioner Kirk seconded the Motion. The Motion passed unanimously.
- K. Cavelero Mixed Use Construction Plans Approval – Leigh Nelson noted the location and will include 16 apartments and some commercial businesses below. The sewer plans are ready and meet District standards. This is to reapprove the plans; the original location to connect was modified. Commissioner McDaniel moved to approve Cavelero Mixed Use Construction Plans Approval. Commissioner Kirk seconded the Motion. The Motion passed unanimously.
- L. Eagle Glen 2nd Addendum to DEA – Michael Bowers and staff had a meeting with Lennar yesterday. This is a 6 month extension. Lennar will be videoing the existing sewer line today and will be using Universal Land to finish the cleanup of several defects in this development's off-site sewer infrastructure. They believe the cleanup will take approximately 2-3 weeks. Michael added it was made clear in the agreement, the specification items that need to be accomplished. Once the offsite sewer work in complete to District standards it will then be sent to the City for their approval process. There is some work left in finalizing easements with land owners. Commissioner McDaniel moved to approve Eagle Glen 2nd Addendum to DEA. Commissioner Kirk seconded the Motion. The Motion passed unanimously.

4. PUBLIC FORUM – None

5. OLD BUSINESS

- A. Resolution No. 929: Fats Oil and Grease – Caitlin Hubbard passed out the draft resolution at the last meeting. She noted it is the same resolution with minor changes. Commissioner Kirk asked if this resolution includes industrial, Caitlin replied not it does not. Michael Bowers added he will be at the Chamber of Commerce meeting to talk about what the businesses will need in terms of compliance and educating them. He will be coming back to the board regarding the incentive program he mentioned at a previous meeting. Caitlin added the goal is to have clean lines and educate and incentivize not to fine. Commissioner McDaniel moved to approve Resolution 929 Fats Oil and Grease. Commissioner Kirk seconded the Motion. The Motion passed unanimously.

6. NEW BUSINESS

- A. 60th Anniversary Event – Kim Jones invited everyone to attend, it will be held June 21st at 3-5pm, with an opening by Michael Bowers, tours by plant staff and the announcement of the winning green logo.
- B. First Third of 2017 Financial Results – Mickie Cooper announced the WASWD retro program refund came in with \$33,843 for out L&I participation and a superb safety record. Since Mickie has been tracking this refund since 2003, the total received has been approximately \$114,000. Mickie reported we are up \$1.3 Mil in our balances than from this time last year. The 7th month trend are up due to the rate increase and new customers. Interest rates are going up as well; therefore, our interest income is higher than expected. The donated facilities and connections are down so far this year -- we have had less come in compared to this time last year in terms of new development permits. Plant operations is up a little bit as the chemicals and items change periodically. Collections and maintenance is up a bit this month compared to prior months. WASWD dues are down this month versus that amount budgeted. Tonya explained the cost for WASWD was based on the number of connections. She added the difference in refunds and cost for WASWD is approximately \$19,000 since 2003. Commissioner Kirk commented it appears the District is up approximately 3.5% than last year in total revenue. Michael Bowers added the plats that were paying last year were already approved plats and the newer plats are just now becoming ready to start connecting possibly later this year. Michael confirmed the number of new rate payers each year should continue to be slightly higher than how we conservatively budgeted for a lower number.

Mickie Cooper explained the ERU cost to show what the rates are paying for; the biggest part of the cost is the debt. The District's rate stabilization fund is subsidizing \$5.15 of the total cost per home per month which is a bit over \$90.00. 20% of the rate is going to District employees, 9% is the treatment plant and lines. Michael Bowers added the rate stabilization fund has \$8.3 million as a balance, depending on how the year goes she may not have to pull any money from this fund. Commissioner Kirk added the District has been setting aside this money starting when the new Treatment plant came on line in 2012; the District anticipated as new customers were added the fund would slowly be depleted. Michael added this is a good point to make, he will be making a fact sheet to better inform the citizens. Commissioner Kirk would like the last 8 years reports to show how the District is keep the costs down. Michael noted the every time we spend money the return on investments have panned out as predicted. Mickie continued that he District is at 33% of the overall yearly budget expended so far, with 40% of the year behind us.

7. MANAGERS' REPORTS

- A. General Manager – Michael Bowers will be working with Brad on a Resolution for due diligence by a 3rd Party evaluation potential unification with the City. He would like to go over dates for the next meeting. Commissioners agree to a date change to Monday June 26th at 1pm.
- B. Manager of Administration – Tonya Christoffersen verified if the Commissioners will be attending the Chamber Luncheon. The state auditors are scheduled to be back on July 24th.
- C. Treatment Plant – Casey Mullins reported operations and maintenance are running smooth. The new modified process control is coming up on a year of data, which will give the plant lots of information on where to go or improve. Plant safety equipment has been including safety goggles and full gear. Mounting devices were made by staff with little to no cost to the District.
- D. Maintenance and Collections Supervisor – Johnathan Dix reported the CCTV camera has flexibility to use as a portable system. Starting next week the collections staff will be notifying customers around the lake they will be TV-ing the lines. On June 24th, race for the cure will be supported by the District. The District will be displaying their trucks.

8. CITY REPORT – Gene Brazel, City Administrator noted Russ is still negotiating Nourse project and will be in front of city council shortly.

9. COMMISSIONERS' REPORT – Commissioner Kirk reported Friday he and Michael had a good meeting with the City Mayor and administrator with a possible resolution to go before the board at the next meeting.

10. EXECUTIVE SESSION – None

11. CONCLUSION - There being no further business, the Board Meeting was concluded at 9:45 AM.

Signed at a regular open public meeting this 26th day of June, 2017




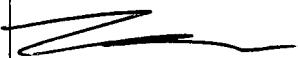
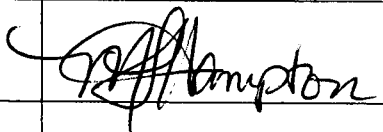
Pam Stevens, Secretary and Commissioner

Frank McDaniel, Commissioner

Brent Kirk, 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
GARY PETERSHAGEN		LK STEVENS	425.418. 1245	
KEVIN KOSCHER		Lk Steen)	425 367 7717	self interest
MICHELE HAMPTON		Lake Stevens	425-903- 4250	attend mtg.