



1106 Vernon Road, Suite A
Lake Stevens, WA 98258
(425) 334-8588 Fax (425) 335-5947
Website: www.lkstevenssewer.org

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

MINUTES OF SPECIAL MEETING BOARD OF COMMISSIONERS

May 22, 2018
Utility Committee

Attendees: Commissioners Pam Stevens and Kevin Kosche; Staff: Tonya Christoffersen, Johnathan Dix and Tara Bighouse. District Engineers Barry Baker and Leigh Nelson, G&O.

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

1. **Called to Order** at 4:01 pm by Commissioner Stevens. Commissioner Stevens moved into the meeting agenda item "Utility Committee Meeting".
2. **Utility Committee Meeting** – The Committee discussed mutual projects and planning for the Lake Stevens UGA and study areas.
 - A. **Approval of Meeting Minutes of March 27, 2018** – Kim Daughtry moved to approve the February 13, 2018 minutes. Gary Petershagen seconded the Motion. On vote the Motion passed.
 - B. **Sewer at 91st and 24th (Costco site)** – Gene Brazel explained this goes back a year when Michael Bowers was the District Manager. This discussion was regarding the sewer line extended down 91st to 24th and the potential cost sharing of the line as he recalls Michael stated about extending it to Hwy 9 that would be at the cost of the District. Gene would need the cost to Costco by June 22nd. There is a design put together by G&O already complete. Johnathan Dix explained depending on the cost would be the factor to the District. Leigh Nelson explained if it has to be bored under the road the cost would exceed the GFC the District could collect. She added if Costco can open trench it would be much more cost effective. Commissioner Kosche commented he would like Costco to come in. John Spencer added Costco would need a lift station with Costco paying their fair share. He added he does not believe they will open cut. Barry Baker added boring now verses later, it would be tearing up both sides of the road, doing it now would be impact both sides of 24th at a later date. Kevin Kosche commented it would depend on when we would recoup the costs. John Spencer noted they have interest in that area his best guess would be 2-3 years. Johnathan Dix added they have an idea of the number of connections for the size of lift station in that area. Discussion ensued about where Costco would need to take their sewer line, which is the edge of their property on 91st and 24th. The District would pay to take the line the rest of the way down to Hwy 9. Johnathan added his opinion would be to take the line under Hwy

9 with added cost savings to have the boring crew to switch from one utility crew to the next to get the line under Hwy 9. Kevin added he does not want to incur more loans so the District will need to determine where they would take the money from; other lift stations, etc. Kevin asked the time frame to need answers. Gene would like to see Johnathan and Eric work together to get a solution figured out in the next two weeks. Leigh Nelson explained she has responded to Costco with this information. Gene explained there are two groups meeting and utilities are in the technical group. Gene added everything looks really positive and they are close.

C. Draft Assumption Agreement – Gene Brazel stated the team has made great progress. The reason they backed off was to figure out options. The group today agreed they will unify and would like to get it done sooner rather than later. He added the document was pulled back and hit specific key points. The goal is still July. Gene explained each item outlined regarding, Comp Plan, employees, IT and technology, feasibility, the transition agreement and ultimately the dissolution of the Sewer District. He added a lot of these items have been completed already, the one outstanding item is how the transition will work with the City. John Spencer added Brad Cattle suggest to set a date of when we know items will be completed by. John noted Grant Weed will create a draft of the items in the assumption agreement, so by July there will be an assumption agreement and an order to appear in court for an order of dissolution. The steps agreed upon would then go to the sub-Committee for regular meetings to make sure it's ready in July. Kevin added his understanding on the July deadline was to have the risks and benefits completed by July, these items could be components of the risks and benefits, but not to have a completion by July. John Spencer replied, yes. He added there are bond covenants, can the city financially contribute, benefits to shared resources, etc. He doesn't believe it needs to be a list of hundreds of pages of risks and benefits. John added he would like this to be a place for the employees to feel the benefit of why they came to the District to work. He would like to go above and beyond the minimum. Gene added they saw the benefit for getting this completed now rather than after the fact. Kevin agreed, he would just like to see the risks and benefits compared for an educated decision.

3. Conclude – There being no further business, the Special Meeting was concluded at 4:32 pm

Signed at a regular open public meeting this 14th day of June 2018



Pam Stevens, President and Commissioner

Commissioner

Kevin Kosche, 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
Paul Knight				LSSD
Mariah Lou		-	-	-
Rachel McDan		-	-	Citizen



**Utility Committee Meeting Minutes
May 22, 2018 3:00 pm**

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

1. **Called to Order:** 4:00 PM by Councilmember Marcus Tageant
2. **Roll Call:**
Attendees Representing the District: Commissioner Kevin Kosche, Commissioner Pam Stevens, Staff: Tonya Christoffersen, Jonathon Dix, Tara Bighouse

Attendees Representing the City of Lake Stevens: Councilmembers Marcus Tageant, Gary Petershagen and Kim Daughtry, Mayor John Spencer, City Administrator Gene Brazel, Public Works Director Eric Durpos, City Clerk Kathy Pugh
3. **Action Items:**
 - a. **Approval of Meeting Minutes of March 27, 2018:** Moved by Kim Daughtry, seconded by Gary Petershagen, to approve the February 13, 2018 meeting minutes. On vote the motion passed.
4. **Public Forum:** No comments.
5. **Discussion Items:**
 - a. **Sewer at 91st and 24th (Costco site)** – Gene Brazel provided a history of the discussions regarding utilities in the area of 91st and 24th, and the possibility of extending the sewer through the 91st – 24th roads, but Michael Bowers was hopeful to extend or stub the sewer line to Highway 9. The City and Sewer District need to determine if there will be some cost sharing as a price needs to be pinned down for Costco. It was suggested that there is a potential separation of projects, and if there is a benefit to the Sewer District to extend the sewer line beyond 91st and 24th, that proportional share would possibly be borne by the district. Costco needs a dollar amount by mid-July at the latest and it would be ideal to be able to provide numbers in June.

Gene Brazel added that he has heard talk of development coming in on the

east side of SR 9 and he believes the Sewer District would be able to recoup some of the costs of installation of a sewer line. Designs have been reviewed and one has been preliminarily accepted that Gray & Osborne could put some numbers to.

Jonathon Dix said there is the possibility of using open trenching to install utilities, which would be helpful and keep costs down. There was discussion as to how Costco could possibly receive a GFC credit if they open trench across SR 9 for utilities.

Gene Brazel said all of the discussions to date have included prevailing wage work. Also, there has been some discussion about road improvement, which the City would pay for, but which Costco would complete. He suggested this could be similar for the sewer project.

Mayor Spencer commented that Costco needs a pump station and that it will pay their proportionate share, the rest of the cost is between the Sewer and District and City.

Discussion ensued as to how utilities could be installed across SR 9, how much disruption there would be, and potential costs.

Gene Brazel proposed that Jonathan Dix and Eric Durpos get together and look at the ideal design, and then try to pin those numbers down with Grey & Osborne. If they can get the numbers pinned down, then those estimates can be provided to Costco, not later than thirty days from now. He is okay if Costco has to bear the whole cost, but if there is a cost sharing opportunity that also should be considered.

Gene Brazel explained there are two groups to communicate with at Costco: the technical group and the legal group. The technical group meets regularly and is the side that needs the numbers.

- b. Draft Assumption Agreement** – Gene Brazel said there was a meeting this morning and there has been good progress made. The City Attorney has drafted up two options, the first being a following of the Ronald Roy agreement, and the other option was similar but appeared to extend the process. The group agreed today to continue with the assumption process and get this done sooner than later. July is still the target date to have a proposed agreement to the group.

Gene Brazel reviewed that the key topics discussed were (1) time and method of asset transfer, (2) transfer and assignment to the City of contractual obligations, such as debt service, agreements, etc., (3) labor relations, (4) revenue and rate setting, (5) comprehensive plan and the planning process, (6) Technology and IT, which is already being worked on, (7) disclosure and due diligence period, and feasibility, (8) budget, insurance, indemnification and hold harmless, (9) how the transition agreement will actually work, and (10) dissolution of the Sewer District.

Gene Brazel reminded that one of the steps that was agreed upon a few months ago is an assumption agreement subcommittee.

There was discussion on the need to continue to move forward and how that can best be accomplished.

6. **Schedule the Next Meeting** – June 26, 2018 at 4:00 p.m.
7. **Adjourn** – Moved and seconded to adjourn the meeting at 4:31 p.m. On vote the motion carried unanimously.

2018 Utility Committee Chair:



Marcus Tageant, Councilmember
City of Lake Stevens