



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

**MINUTES
COMMISSIONER MEETING
September 12, 2019 at 9:00 AM**

Attendees: Commissioners Dan Lorentzen via phone conference, Mariah Low and Kevin Kosche. District Staff: Johnathan Dix, Tonya Christoffersen via phone conference, Tara Bighouse and Casey Mullins. District Engineers: Barry Baker, G&O. Legal Counsel: Brad Cattle. City: Gene Brazel.

1. **CALL TO ORDER** – At 9:00 AM, Commissioner Kosche called the Meeting to order.
2. **PLEDGE OF ALLEGIANCE** – Commissioner Kosche led those present in the Flag Salute.
3. **AGENDA APPROVAL** – Commissioner Low moved to approve the Agenda as presented. Commissioner Kosche seconded the Motion. The Motion passed unanimously.
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail): Commissioner Low moved to approve the Consent Items A through J. Commissioner Kosche seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: Aug 6 & 16		
B. Lien Placements (37)	NA	
Lien Releases (38)	NA	
C. Investments	\$1,023,518.85	
Withdrawals	NA	
Transfers	\$6,294,320.00	
D. Payroll	\$183,158.45	
E. 40 – Maintenance	\$195,836.52	6711-6771 & EFT 126
F. 48 – SRF Principle & Interest Payment	NA	
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	\$24,811.94	6772-6774
I. 60 – PWTF Principle & Interest Payment	NA	

5. PUBLIC FORUM – Non-action Items (please limit comments to 3 minutes)

Ryan Larson with Land Pro Group - He is asking the District to consider changing the DEA's expiration from 3 to 5 years. It does them no good for 3 years when the state law allows 5 years for plats. When there is an issue, they must come back to the Commission for an extension. 5-year DEA's would help the builder and would be the same as the City. Commissioner Kosche, thanked Ryan and stated they will take it under advisement.

6. OLD BUSINESS

- A. Former Wastewater Treatment Plant Update – Caitlin Hubbard noted the contractor has stated we have completed the work under the guidelines. They sent pictures that look good. She will work on a letter to the Dept of Ecology and hopes to hear back soon. Commissioner Kosche asked what does final completion look like, is it a letter or something more formal? Caitlin replied she is working on the letter now.
- B. G&O Contract Amendment No. 19: Vernon Business Center Parking Lot Paving – Johnathan Dix read his prepared request stating "This professional services contract amendment with Gray and Osborne authorizes them to incorporate the City required items to the design of the proposed parking lot paving project at the Vernon Business Center. The City required items such as

landscaping, and lighting that were not initially included in G&O's original contract or the scope of these items has changed over what had been anticipated in the original design scope and fee. The contract amendment amount is \$14,077.00." Commissioner Low moved to approve G&O Contract Amendment No. 19: Vernon Business Center Parking Lot Paving. Commissioner Kosche seconded the Motion. The Motion passed unanimously.

7. NEW BUSINESS

- A. G&O Contract Amendment No. 18: Grace Lane Overlay – Johnathan Dix read his prepared request stating "This professional services contract amendment with Gray and Osborne authorizes them to begin design and to provide contract management services for the grind and overlay portion of the Grace Lane sewer line project. This contract amendment includes design, QA/QC, and construction management services. This contract amendment is in the amount of \$39,500.00." Commissioner Low moved to approve G&O Contract Amendment No. 18: Grace Lane Overlay. Commissioner Kosche seconded the Motion. The Motion passed unanimously.
- B. G&O Contract Amendment No. 20: SR9/24th St Sewer Crossing – Johnathan Dix read his prepared request stating "This professional service contract amendment with Gray and Osborne will authorize them to begin the design of the SR9 / 24th Street SE sewer line crossing to support the economic development site located at on the west side of SR9 at the soon to be constructed 24th Street SE intersection. The contract amendment includes design, project management, QA/QC, and construction management services. The contract amendment price is \$59,380.00." Commissioner Low moved to approve G&O Contract Amendment No. 20: SR9/24th St Sewer Crossing. Commissioner Kosche seconded the Motion. The Motion passed unanimously.
- C. Purchase of New District Vehicles – Johnathan Dix read his prepared request stating "District staff is requesting the Commission entertain a request to purchase two Hyundai Sonata Hybrid sedans to replace the 2006 Subaru. District staff believe that with many of the industry's classes and conferences taking place far from the District as well as the daily needs of District staff warrant the need for two vehicles. The beginning of year budget for vehicle purchase was \$86,000 and roughly \$40,000 has been expended with the purchase of the Cube Van, staff expects that the beginning of year budget will be exceeded by roughly \$6,000 but the impact to the end of year financials, if the Commission authorizes the purchase, would be negligible as savings in other areas should make up the deficit. District staff is also requesting that the Commission consider a not to exceed budget of \$26,000 each. The District has received quotes from four competitors and Hyundai of Everett is the lowest, responsive, and responsible quote received. District staff would recommend that the Commission authorize District staff to purchase two Hyundai Sonata Hybrid SE sedans for Hyundai of Everett for a price not to exceed \$26,000 including tax." Commissioner Kosche noted we have one vehicle now and would go to two, what is filling the gap now. Johnathan replied personal use of vehicle. Commissioner Low moved to approve the purchase of two Hyundai Sonata Hybrid SE sedans from Hyundai of Everett for a price not to exceed \$26,000 each including tax. Commissioner Kosche seconded the Motion. The Motion passed unanimously.
- D. Lift Station City 1 Design Schedule Acceleration Discussion – Johnathan Dix read his prepared request stating "The District's Capital Improvement Plan has identified a project for construction in 2020 to upgrade the controls of Lift Station 1C for an estimated cost of \$109,000. Staff is requesting that the commission authorize staff to expend monies now to begin the design of the control system upgrade now so the project could be completed late this year or early next. District staff are increasingly convinced that the current control configuration of the lift station may fail catastrophically. The District has implemented redundancy measures in case this happens, however, these measures should only be used temporarily." Commissioner Kosche

asked does it cost more or less to shift this earlier. Johnathan replied no it will not have an impact on the cost, it does not exceed \$109,000. Commissioner Low moved to approve Lift Station City 1 Design Schedule Acceleration. Commissioner Kosche seconded the Motion. The Motion passed unanimously.

- E. Smoke Testing Results Policy Discussion – Johnathan Dix explained the District has posted notification of smoke testing on the website and social media and have been getting good feedback, but the concern is when an issue is found what would that look like as far as policy. District Staff recommends using the existing illegal connection policy with a 90 day or longer hold to notify the homeowner and give them time to fix it. Johnathan is happy to take recommendations. Commissioner Low asked for some homes to be given more time to repair considering it may be the way it was done when the house was built. She supports a notification period. Commissioner Kosche asked if it would be the same policy as illicit discharge. Johnathan noted our current policy does includes storm water as being an illicit discharge. Commissioner Kosche agrees with 90 days. Barry Baker added he recommends doing the longer period and the worst time to do some of the remedies is the wet season and give them the time to get the work done. He noted the best time for smoke testing is September but the impact to the repair can be difficult so possibly going to 120 days to repair might help. Johnathan added this is a sticky situation that several other District are having issues with as well. Commissioner Kosche asked for staff to come back with a draft policy for review. Johnathan will have that at the next meeting.
- F. SCADA Computer Engineering Contract – Caitlin explained the contract with Conley engineering has expired and would like to renew it. She asked for a possible three-year contract instead of one year. Commissioner Kosche noted he is ok with a three-year contract but let's see if we can get them to lock in a rate. Caitlin replied there are several rates listed in the contract. Commissioner Low moved to approve renewing the SCADA Computer Engineering Contract and pursuing a three-year contract. Commissioner Kosche seconded the Motion. The Motion passed unanimously.
- G. Dept of Ecology 2018 Award Presentation – Commissioner Kosche read the letter from the Dept of Ecology praising Lake Stevens Sewer District for its outstanding performance for 2018. Lake Stevens Sewer District should be commended for its effort to run a plant 24/7 and over all fulfil the NPDES permits. He presented Jeff Baisch the plaque and a copy of the letter he read. Jeff thanked the Commission.

8. MANAGERS' REPORTS

- A. General Manager – not present.
- B. Manager of Collections – Johnathan Dix reported there are 208 permits year to date and 358 Connection fees paid year to date. The City and District staff have met a few times over the last couple weeks to get moving on the decant facility. The collections staff has been cleaning a lot of lines and has put up a map on the District website showing customers where the cleaning is being complete and how to best mitigate the possibility of toilet water getting ejected from the toilet bowl. There was a river of rainwater that came into Lift Station 5. It was about 3 feet deep. Johnathan explained that it is a good thing the pumps are designed to run under water for a short period of time, but the water never got that high.
- C. Treatment Plant Update – Casey Mullins reported flow are just over 2 MGD. There was a spike in flow to 2.9 MGD with the big rain fall. The centrifuge came back and did not work so it has been sent back. The technician was very good, and staff is hoping to get him back soon. Commissioner Kosche commended them on the anticipation and approach on having the technician there so the work is on them. Casey added the technician said this is not right and within a half an hour identified the problem and said don't accept it and return it. Jeff noted he

may try to use the other centrifuge after talking to the representative. He has been hesitant to use it but received confirmation from the technician it should be good. It is getting too expensive doing the other methods. Caitlin added there is no space left in Monroe to haul the biosolid too and has hauled it to Lynden but that will not be an option going into winter. She has been talking to a few rental companies to get a possible centrifuge rental. Commissioner Kosche noted to track the time and money spent. We have given them grace this last time and after it's back up and running it may be appropriate to have a conversation with them about what Andritz can do to help.

9. CITY REPORT – Gene Brazel commented on the Decant Facility and thanked the District for the partnership. They have agreed simpler would be better, to each have an ownership in the facility. He is hoping to have a draft agreement shortly between the four parties. Commissioner Kosche appreciates working on this together with other areas of contention. Gene appreciated his words considering at that level everything and everyone is working well together. Jeff noted the City swept the parking lot and thanked them; they may need it again. Jeff added the storm drain will need to be cleaned out. Gene noted it is on the list.

10. COMMISSIONERS' REPORT – Commissioner Kosche noted from the last meeting his take on mediation. With 2 items; legal note on mediation and choosing a mediator. There has been dialog between the attorney and two mediators chosen. The Commission agreed on this understanding. Commissioner Kosche noted since we have agreed we would not unify at this time the District has spent nearly \$100,000 and it will increase with no benefit to the rate payer. He noted there has been a few letters going back and forth and the City's letter has blocked the bond refinance. Since this the interest rates have increased, and he is monitoring the rates daily as it has already cost the District's customers hundreds of thousands of dollars. Commissioner Kosche read the last paragraph of the response letter stating "If you, on behalf of the City, determine not to withdraw the letter as requested and the bond refinancing is jeopardized as a result of the mischaracterization of circumstances and implications with respect to the Unification Agreement, the District will provide accurate information to its rate payers concerning the bond refinancing." and has received a reply from the Mayor. Commissioner Kosche noted three things are going to happen; first, the Mayor has until midnight tonight to pull back the letter. If it doesn't happen there will be a press release, we will continue to track the interest rates and will hold the City liable for the missed savings and lastly the City has bonds they are financing, this problem will hold up the City's bonds as well. He much prefers the bond market to help the rate payers. If the Mayor pulls the letter all will go away and the District will eat the \$100,000 in missed savings.


11. EXECUTIVE SESSION – The Commissioners will now recess into Executive Session at 9:45 AM and excused the general public; it is estimated that executive session will last up to 20 minutes. The purpose of the Executive Session, under RCW 42.30.110.i, is for contract negotiations, discussion of which in public may disadvantage the District. 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.

Brad Cattle formally extended the meeting for 10 minutes.


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

Signed at a regular open public meeting this 26th day of September 2019





Dan Lorentzen, Commissioner



Mariah Low, Secretary and Commissioner



Kevin Kosche, President and Commissioner