

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF COMMISSIONERS OF
RONALD WASTEWATER DISTRICT**

June 27, 2017

Board President Gretchen Atkinson convened a regular meeting of the Board of Commissioners of Ronald Wastewater District at the District office at 6:00 p.m. on Tuesday, June 27, 2017. In attendance were Commissioners Gretchen Atkinson, Chris Eggen, Robert Ransom and George Webster. Also present: General Manager Mark Gregg, Accounting Clerk Sandy Robinson, and District Counsel Joe Bennett. Members of the public present: Ginny Scantlebury, Wesley Brandon and Paul Barrera.

1. **Public Comment:** None.
2. **Additions/Adjustments to Agenda:** Commissioner Webster requested moving up Item 5(a) right after the approval of minutes. The other commissioners concurred.
3. **Minutes of the June 7 Special and June 13 Regular Meetings.** Upon motion by Commissioner Eggen and second by Commissioner Webster, the Board voted 4-0 to approve the minutes of the June 7 special Board meeting. Commissioner Webster suggested a minor addition and moved approval of the June 13 regular meeting minutes as revised. Commissioner Eggen seconded. The Board voted 4-0 to approve the minutes of the June 13 regular Board meeting as revised.
5. **Old Business**
 - a. First Amendment to the Interlocal Operating Agreement (IOA) with the City of Shoreline. Commissioner Webster stated that this is the first amendment to the IOA that was originally signed in 2002. In his view, the amendment is convoluted. The simpler course would be just to extend the date of assumption. He takes issue with Section 3 of the First Amendment—including all District employees transitioning to the City. Commissioner Eggen raised a point of information, asking why discuss this tonight if the Board approved the First Amendment at the June 13 regular meeting. Commissioner Atkinson responded that this is information for the benefit of the candidates present. Commissioner Eggen noted that for the First Amendment to be implemented the City and the District will have to work out a Service Agreement. Commissioners Eggen and Webster discussed other provisions in the First Amendment. Commissioner Eggen stated that any questions relating to the contract and its interpretation should be directed to special counsel.

7777

4. **Board of Commissioners Vacancy: Interim Appointment**

a. Interview of Applicants. The commissioners interviewed each of the three (3) applicants for the interim appointment to fill Board Position No. 5. Commissioner Atkinson stated that the order of the interviews would be in the order that the District received the applications.

At 6:28 p.m., the Board began its interview of Ginny Scantlebury. She has lived in the District for most of her life. She learned about the District many years ago when her property connected to sewer from septic. Her background is sales and management and she feels comfortable speaking in public. Her volunteer experience includes service on homeowner boards, Rotary, Shoreline Senior Center Board, Hopelink and Camp United We Stand. She ran for the District Board four years ago, and she learned a lot about the District's operations and customers. She feels strongly about the quality of the District's service and the need to maintain that after the City's assumption. Ms. Scantlebury would enjoy contributing to the community through service on the Board and has the time to devote to community and industry meetings. She understands there is uncertainty about the precise timing of assumption. She would like to learn more about the First Amendment to the IOA with the City.

At 6:48 p.m., the Board began its interview of Wesley Brandon. He has lived in Shoreline for more than three decades. He studied Oceanography at the University of Washington. He has been heavily involved in with the Shoreline School District and its various committees, the PTA and the Shoreline Schools Foundation. He worked on legislative committees. He values civic and community service. Mr. Brandon's goal is to protect the ratepayers during the transition to the City. He has the time to devote to the position as well as attending educational conferences, industry meetings and community meetings. He understands the relationship between the Board and District staff, with the Board as policy makers. He is aware that the details of assumption are in flux. He would like more information about the First Amendment to the IOA with the City.

The Board began its interview of Paul Berrera at 7:10 p.m. He and his family live in North City. He moved to Shoreline for its diversity, opportunities, and quality schools. He is an attorney and has an MBA. His practice focuses on advising businesses and estate planning. He speaks Spanish and served on the Latino Bar Association. He has prior experience as a cost accountant, with experience detecting fraud. As a commissioner, he would emphasize the need for the District Board to be independent from the City until assumption. He would bring professional judgment to the position and would seek to increase public comment and participation. He has been looking for an opportunity for

public service, and the District's non-partisan Board where the focus is on the ratepayer appeals to him. He has the time and flexibility to attend conferences and industry and community meetings. He understands that there is ongoing assumption transition planning between District and City staff. With respect to the First Amendment to the IOA, he thinks that with pending litigation, it is a good idea to postpone the date of assumption.

b. Executive Session. Upon motion by Commissioner Webster and second by Commissioner Eggen, the Board voted 4-0 to go into executive session for 15 minutes to evaluate the qualifications of candidates for appointment to elective office pursuant to RCW 42.30.110(1)(h). The Board went into executive session at 7:33 p.m. At 7:48 p.m., the Board came out of executive session and went back into open session. The three candidates rejoined the meeting.

c. Appointment of New Commissioner. Commissioner Atkinson stated that the Board was very impressed with the quality and the preparation of all three candidates. She hoped to see all three at future Board meetings and in the community. Commissioner Eggen agreed that every candidate brought good qualities to the position. Commissioner Webster concurred with the prior comments and thanked each applicant. **ACTION:** Commissioner Eggen nominated Wesley Brandon. Commissioner Ransom seconded the nomination. By a 4-0 vote, the Board appointed Mr. Brandon to fill the vacancy in Board of Commissioners, Position No. 5.

d. Swearing In of Commissioner-designate Brandon. Ms. Robinson, a notary public, administered the oath of office to Mr. Brandon.

6. New Business

a. Vouchers. The Board considered vouchers in the aggregate amount of \$1,133,196.00 broken down as follows: (a) AP Vouchers #0170346 through #0170389 in the amount of \$1,079,474.38; (b) ACH Payroll of \$30,313.62; (c) Payroll taxes of \$11,637.46; and (d) State of Washington DOR, Excise Tax (2nd PR only) of \$11,770.54. **ACTION:** Upon motion by Commissioner Eggen and second by Commissioner Webster, the Board approved all of the vouchers presented by a vote of 5-0.

b. Financial Report/Journal Adjustments. The end of May cash balance was \$5,867,792, which is slightly above the end of April. He noted that the consultant expenses are 107% of yearly budget, due primarily to the higher than budgeted expenses of special counsel. **ACTION:** Upon motion by Commissioner Eggen and second by

7779

Commissioner Webster, the Board approved the journal adjustments in the amount of \$428.49 by a vote of 5-0.

7. **Legal Report.** Mr. Bennett stated that he had prepared Resolution 17-14, appointing the interim commissioner, with a blank for the name of the appointee. Now that the Board has appointed Mr. Brandon, Mr. Bennett suggested that the Board formalize the appointment by adopting Resolution 17-14. He e-mailed the resolution to Mr. Gregg and asked him to print it.

ACTION: Upon motion by Commissioner Webster and second by Commissioner Ransom, the Board adopted Resolution 17-14 by a vote of 4-0, with Commissioner Brandon abstaining.

8. **Personnel Report.** None.

9. **Maintenance Report.** None.

10. **Commissioners' Reports and Comments.**

- Commissioner Ransom reported on the recent Boundary Review Board hearing in Snohomish County. He was disappointed by the BRB's decision.
- Commissioner Eggen added that the BRB denied the City of Shoreline's petition to assume the portion of Ronald Wastewater District that is in Snohomish County, including the Pt. Wells area.

11. **General Manager's Report.** Mr. Gregg provided highlights of his written report for June 13-26. Topics not previously discussed in the meeting included:

- Richmond Beach 1 and 2 project contracts were awarded to the responsible low bidder, Budget Sewer. Project construction is estimated to run from July through late October of 2017.
- He anticipates the District's cash balance will decline monthly through completion of the Richmond Beach CIP contracts as well as special counsel work.
- He and George Dicks met with City staff on June 15 to discuss assumption transition planning. The focus was on the First Amendment to the IOA.
- He participated in a meeting with the City and counsel to discuss the negotiation of the Service Agreement.

There was a general discussion about how the District will be represented at such meetings with the City regarding the Service Agreement. Commissioner Webster

expressed concern with the process and the Board's lack of meaningful participation. He does not believe the Board should delegate negotiations to special counsel. There was some discussion about a special meeting to discuss the Service Agreement. Commissioner Eggen recommended that the Board focus on the documents on the table, instead of revisiting past decisions. After checking commissioners' availability, Commissioner Atkinson suggested a special meeting on Thursday, July 6 at 6:00 p.m.

ACTION: Upon motion by Commissioner Webster and second by Commissioner Ransom, the Board voted 5-0 to hold a special meeting on Thursday, July 6 at 6:00 p.m. for the sole purpose of an executive session with special counsel Duncan Greene.


- Mr. Gregg identified upcoming training conferences that he or commissioners will attend.
- He will be on vacation the rest of this week.

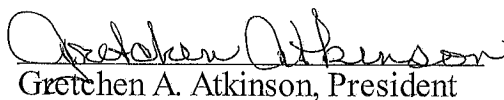
12. **Other Committee Reports.** None.

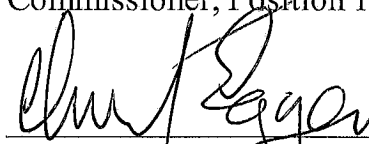
13. **Conclusion:** Upon motion by Commissioner Webster and second by Commissioner Eggen, the Board voted unanimously to conclude the meeting at 9:12 p.m.

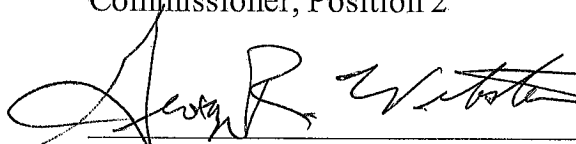
Next Regular Meeting of the Board: Tuesday, July 11, 2017 at 6:00 p.m.

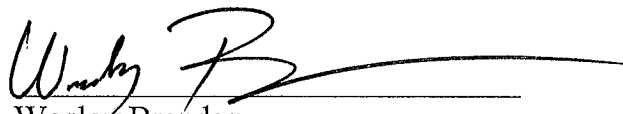
APPROVED in open meeting this 11th day of July, 2017.


Robert L. Ransom
Commissioner, Position 1


Gretchen A. Atkinson, President
Commissioner, Position 2


Chris J. Eggen, Secretary
Commissioner, Position 3


George R. Webster, Vice President
Commissioner, Position 4


Wesley Brandon,
Commissioner, Position 5

