

**Ronald Wastewater District and City of Shoreline
Assumption Transition Committee of Elected Officials (CEO)
July 31, 2014, 9:00 - 10:30 am
Conference Room 104, Shoreline City Hall
17500 Midvale Avenue North**

Summary Meeting Notes

PRESENT: Commissioner Atkinson, Councilmember McConnell, Commissioner Ransom, and Councilmember Roberts

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Mark Relph, Public Works Director; Dan Repp, Utilities and Operations Manager; Michael Derrick, General Manager; Mark Gregg, District Accounting Manager; Susana Villamarin, Senior Management Analyst

GUESTS: None

Welcome and Confirm Agenda

- The meeting began at 9:00 am with Councilmember McConnell chairing the meeting. She asked the CEO to confirm the agenda and no changes were made.

Introduction of Susana Villamarin

- John Norris introduced Susana Villamarin, Senior Management Analyst, as a new member of the team to help with note taking and analytical work that will be needed in the future.

Adoption of Draft Summary Notes of 6-26-14 CEO Meeting

- The summary notes from the 6-26-14 CEO meeting were approved unanimously.

Boundary Review Board Update

- Debbie Tarry provided an update as follows: After the City of Shoreline filed to go forward with the assumption of Ronald Wasterwater District, Snohomish County and the Olympic View Sewer and Water District invoked jurisdiction in both King County and Snohomish County, while the Town of Woodway invoked jurisdiction in just Snohomish County. Briefings are not required but suggested to address the issues raised in the course of invoking jurisdiction. All briefs are due August 1st. The City of Shoreline has a hearing scheduled on August 19th at 7:00 pm at the Shoreline Fire Station with the King County BRB. Deliberations will continue on August 20th. There is also a Snohomish County hearing scheduled on August 28th. The official decision for adoption is schedule for September 11th.
- Councilmember Roberts suggested that the CEO should write a letter of support to the BRB to be reviewed at the hearings and to be taken as public testimony. He suggested staff to write a draft and there was consensus within the CEO.

- John Norris will be drafting a support letter from the CEO to be reviewed and signed by all members to be sent to the BRB before the hearing date.

Utility Facilities Map

- Clayton Putnam (RWD) and Jay Clark (COS) put together a map with Ronald Wastewater facilities. The map was included in today's meeting packet. Michael said that the map has a pretty good overview of the service area and noted that there are a few corrections to be made. He will work with Clayton and Jay and after corrections are made a new map will be issued.

Lift Station Tour

- Michael Derrick will try to schedule a tour by the end of the summer.

Signing of Official Project Charter

- The official project charter was presented at the meeting and signed by all CEO members.

King County and Edmonds Wastewater Treatment Contracts

- Staff discussed the issue and it was agreed to have a discussion on this under the Budget work plan item.

Finalize Draft Financial Policies

The Financial Policy was reviewed starting with the policy agreements.

- *District Cash Reserve Levels:* John Norris clarified that the financial reserve is a target based on expenditures and not on rates. This reserve level is typical for utilities. The target is based on best practices and was agreed to by the Staff Committee. The District will manage current cash reserves prior to assumption.
- *Comprehensive Plan:* Staff recommended having a comprehensive plan update before assumption by 2016 so it sets the stage for facilities, planning and financial goals. Michael Derrick suggested conducting a condition assessment of the system rather than a full comprehensive plan update due to the fact that the governance structure will change. He also stated that the Board will review this project in August and will make a decision to potentially use an outside agency. Staff acknowledges that this will be a District determination and if consulting services are needed, they should consider working with the City. Staff recommends having the plan updated before assumption.

Councilmember Roberts pointed out that Michael Derrick made a good point because policies might change under the new structure and that staff needs to be clear what exactly they are asking for when recommending to the Board and the Council. Mark Relph suggested a sewer comprehensive plan update be conducted, similar to as in 2010. He noted that the goal is not an assessment but to review from a larger perspective where is the utility going; specifically regarding hydraulic loading. John Norris suggested a change in the policy wording to replace 'Comprehensive Plan will be completed by', to 'Comprehensive plan may be completed by'. Councilmember Roberts suggested adding a bullet under comprehensive plan if the comprehensive plan is moved forward prior to assumption that the CEO and City Council will be briefed prior to adoption as an update so the Council would be informed. Finally, staff stated that they would take another look at language regarding the Comprehensive Plan for the Transition Plan.

- *District Interim Debt Policy*: It was mentioned that the District has no debt at this point and no plans to issue any debt. The commitment would be to talk to the CEO prior to taking action on issuing debt.
- *City Sewer Utility Debt and Financial Policies*: There are no policy statements here but the City's commitment.
- *Assumption Costs*: Any direct cost necessary to make the transition happen will be the utility's cost.

Staff will bring the final draft of the financial policies to the next meeting for adoption.

Overview of Communication Plan Outline

- Staff shared the first attempt to put together a communication plan to see how we are going to talk about assumption and be clear on how communication is going to flow.
- It was agreed that the plan is too long and that staff needs a more concise draft first and then a more robust discussion with the CEO will be held.
- Councilmember Roberts commented that communications have already started and inquired at what point should we use Currents to inform the public. John shared that the City started with a high level information article in the summer issue of Currents. There was not much substantive content in that article, but the idea is to continue to roll out content that is agreed to at the CEO level.
- The CEO should email John Norris if they have any input, feedback or questions regarding the plan.
- Staff will provide a second iteration of the plan in the next meeting and get more into the details of the plan, especially employee communication.

Overview of Personnel Work Items

- John mentioned that this item is Priority 3 on the work item list in the Project Charter. Staff started looking at District employment policies and the City's Employee Handbook to see the differences between the two.
- The presented overview does not have a lot of content but staff put together groupings of work that will fall into this category. If there is something missing, the CEO should email John Norris with their suggestions.
- Councilmember Roberts requested that the committee get the organizational chart for the utility from the Utility Unification and Efficiency Study and the current Ronald Wastewater organizational chart as a starting point.
- Mark Gregg and Paula Itaoka (City of Shoreline HR Director) started working together. Mark Gregg is putting together a detail of the benefits the District has and the City does not and vice versa.
- Commissioner Ransom said his biggest concern is the reinforcement that there is a policy in place for retention to put people at ease which they all agreed. City staff will bring a policy statement next month for review by the CEO.

Jurisdictional Items/Issues to share

This will be a standing item of the agenda as an opportunity to share. No comments were added.

The meeting adjourned at 10:35 am. The next CEO meeting will be August 28 at 9:00 am.