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

**MINUTES OF SPECIAL  
COMMISSIONER MEETING ON  
May 21, 2019 at 2:00 PM**

**Location: Lake Stevens Sewer District Office  
1106 Vernon Rd Suite A, Lake Stevens WA 98258**

**Attendees:** Commissioners Dan Lorentzen, Mariah Low and Kevin Kosche. District Staff: Jonathan Dix and Tara Bighouse. CHS Engineers: Rodney Langer and Chris Gonzalez with FCS

**1. CALL TO ORDER** – Commissioner Kosche called the meeting to order at 2:00 PM

**2. COMMISSIONER WORKSHOP AGENDA ITEMS:**

- A. Comp Plan Discussion – Johnathan Dix introduced Rodney Langer from CHS and Chris Gonzalez from FCS. Rodney explained that growth is on track with the forecast anticipated in the 2016 Comprehensive Plan. No capacity related pipe diameter changes anticipated in flow modeling. There were a few updates to the CIP such as; upgrades to the Vernon business center, a shared decant facility, Grace Lane Sewer Pipe Contribution, Vactor and CCTV equipment replacement. In addition, some projects related to the downtown subarea plan have been separated into phases to control costs and to be able to keep pace with development. The underlying assumption as to the timing the large treatment plant upgrade will be required, but he had updated the estimated cost to present day dollars. Chris explained the financial chapter identifying current and future operations and maintenance costs and the impact these costs may have on rates and connection charges. Depending on the growth projections, some capital projects may be something that can be pushed out. Chris went on to explain FCS's suggested rate strategy as a proposed \$4.00 increases each year. He explained that the financial analysis is based on a fairly conservative growth forecast, but that planning for the minimum is a wise business practice. Johnathan explained the forecast is based on assuming of 175 new accounts and 175 connection fees per year.

Chris explained the process for calculating GFC charges. This computed to a total GFC per ERU at a maximum of \$12,735 which is currently \$2,335 from the current GFC rate. Rodney added there may be other options to help with rates not necessarily GFCs. The Commission agreed they prefer to increase the GFC rate before rate increases. Commissioner Kosche noted his stance would be to still pay down and reborrow for the plant upgrade in the future while staying within the debt service ratios. The Commission agreed. Commissioner Low added her preference would be to increase less often than every year. Chris noted that's understanding the key is to not get behind on rates to cover expenses. Johnathan added holding off on rate increases in the past had a fairly negative impact on the future. Rodney added this is not binding its just included in the plan. The Commission agreed to bring this information forward to the Utility Committee. Commissioner Low asked about significance of I&I. Rodney explained it's a significant variable, but currently the District has a low I&I variable compared to other Districts. He noted this is where the asset management software and the CCTV truck really shine in identifying and reducing I&I. Commissioner Low asked about the

current possible customers that are still on septic and the possibility to get them to connect. Discussion ensued about the possible ways to capture those connections.

**3. EXECUTIVE SESSION** – None.

**4. CONCLUDE** – Commissioner Kosche concluded the meeting at 2:47 PM with no action taken.

Signed in a regular open public meeting this 13<sup>th</sup> day of June 2019



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Dan Lorentzen, Commissioner

  
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Mariah Low, Secretary and Commissioner

  
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Kevin Kosche, President and Commissioner