



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

**MINUTES OF
COMMISSIONER MEETING
January 27, 2022 at 9:00 AM**

Attendees: Commissioners Dan Lorentzen and Kevin Kosche, District Staff: Mariah Low, Johnathan Dix, Michelle Bauman, and Melonie Grieser. District Engineers: Barry Baker and Leigh Nelson, G&O. Legal Counsel: Jack Follis, City Councilman Gary Petershagen

1. **CALL TO ORDER** – At 9:00 AM, Commissioner Lorentzen called the meeting to order and read a prepared statement regarding our virtual meeting and public comment.
2. **PLEDGE OF ALLEGIANCE** – Commissioner Lorentzen led those present in the Flag Salute.
3. **AGENDA APPROVAL** – Commissioner Kosche moved to approve the agenda. Commissioner Lorentzen seconded the Motion. The Motion passed.
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail) – Commissioner Kosche moved to approve Consent Items A through I. Commissioner Lorentzen seconded the Motion. The Motion passed.

	AMOUNT	CHECK #'s
A. Minutes: Jan 13 & 25		
B. Lien Placements (0)	NA	
Lien Releases (0)	NA	
Lien Foreclosure Lawsuit (0)	NA	
C. Investments	\$1,788,292.67	
Withdrawals	\$1,047,465.82	
Transfers	\$1,331,434.39	
D. Payroll	NA	
E. 40 – Maintenance	\$207,419.81	9445-9487, EFT 15
F. 48 – SRF Principle & Interest Payment	NA	
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	\$742.50	9488
I. 60 – PWTF Principle & Interest Payment	NA	

5. **PUBLIC FORUM – Non-action Items** (please limit comments to 3 minutes) Commissioner Lorentzen asked if there were any public comments or questions submitted. No questions submitted but
6. **OLD BUSINESS** –
 - A. Comprehensive Plan – Financial Analysis Chris Gonzalez with FCS Group presented the Comp Plan. The General Facilities Charges and Financial Plan were covered. The District's Annual Cost Inflation will include general inflation of .5% per year through 2024 and then 2% per year after 2024, labor costs will rise 3.0 – 4.0%, employee benefits increase of 10.0 – 12.0%, construction costs will rise 5.0% per year through 2024 and then 3.0% per year thereafter. Capital

needs forecast suggests that the District will spend \$52.6 million in projects from 2022 – 2027 which reflects inflation at 5.0% per year through 2024 and then 3.0% per year onward. GFC are infrastructure costs that are recovered through ongoing rates. Recommendations included increasing the GFC from the current \$10,400 to \$13,500 per ERU and increasing monthly rates by \$4 a month, going from \$86 to \$90 for 8 months of 2022, then increasing them every other year until reaching a monthly rate of \$100 by 2027. This would bring the District to an average, mid-range rate compared to other utilities.

- B. WSDOT SR 9/204 Intersection Improvement – LSSD UTB 1500 Agreement – Johnathan Dix explained that this agreement allows WSDOT's contractor to adjust and reconstruct 6 manholes that will be impacted by the SR 9/204 realignment and reconstruction. WSDOT's anticipated portion of the District's cost is \$30,950. It has been reviewed by legal and staff and is recommended for approval. Commissioner Kosche made a Motion to authorize the General Manager or Assistant General Manager to sign the agreement. Commissioner Lorentzen seconded the Motion. The Motion passed.
- C. Toll Estate DEA Addendum – Johnathan Dix stated that this addendum will add a single late comer to the original DEA. It was reviewed by legal and staff and is recommended for approval. Commissioner Kosche made a Motion to approve. Commissioner Lorentzen seconded the Motion. The Motion passed.
- D. Void check #9417 issued 1/13/2022 and reissue as checks #9443 and 9444 for \$13,106.27 – housekeeping item that Mariah Low said 9417 had incorrect address so it will be sent to the correct address.
- E. Void check #9086 issued 10/8/2021 and reissue as check #9489 for \$500 – Issued to both customers on the account but a quit claim deed removed one customer so check must be reissued to only the remaining customer on the title.

7. NEW BUSINESS

- A. Miniken DEA Variance Request – Johnathan Dix stated that the property owner would like a variance to the code which doesn't allow for a travel trailer to connect to the sewer. Mr. Miniken would like to have a temporary connection while his home is being constructed. Staff reviewed the variance and is recommending approval with the addition of a one-year exception only and the trailer must be hard plumbed to sewer line. Commissioner Kosche made a Motion to approve the request. Commissioner Lorentzen seconded the Motion. The Motion passed.
- B. Lift Station 18 Pipe Repair Change Order #1 – Johnathan stated that the additional export and import of fill while excavating and increased area of excavation added \$5710 to this project. Staff recommends for approval. Commissioner Kosche made Motion to approve. Commissioner Lorentzen seconded the Motion. The Motion Passed.
- C. 2022 Budget Presentation – Michelle Bauman presented the District's 2022 Draft Budget Guidelines to the Board. Projected operating revenue for 2022 is \$14,874,389. Total M&O costs are expected to increase 11.11%, and there is \$10,582,864 in estimated capital costs for 2022.

8. MANAGERS' REPORTS

- A. General Manager – Mariah Low stated that the Plant has 3.47 MGD flows, Calcium Carbonate project has started for alkalinity control, and new employee Johnny Nguyen has started work in accounting.
- B. Assistant General Manager – Johnathan Dix stated 31 GFC collected, 17 permits issued, Collections staff did a great job when a generator had an exhaust system failure at LS 1C.

9. CITY REPORT – The City had no report.

10. COMMISSIONERS' REPORT – Commissioner Kosche stated that the District has waited as long as possible to raise rates and hopes to create a plan that works well for the District and the community. Commissioner Lorentzen would like to receive public comment for the rate changes. The District has one Commissioner seat open after Jennifer Stevenson vacated her seat due to an out of State move.

11. EXECUTIVE SESSION – Dan Lorentzen stated the Commission will now recess into Executive Session at 9:57AM and excused the general public; it is estimated the executive session will last until 10:17AM. The purpose of the Executive Session, under RCW 42.30.110.i, is to discuss with legal pending litigation. 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 without an announcement.

12. CONCLUDE –Commissioner moved to adjourn the Board Meeting. Commissioner seconded the Motion. The Motion passed at 10:17 AM.

Signed at a regular open public meeting this 10th day of February 2022





 Dan Lorentzen, President and Commissioner

 Commissioner (vacant)



 Kevin Kosche, Secretary and Commissioner