



**LAKE STEVENS
SEWER DISTRICT**
Serving You Since 1957

1106 Vernon Road · Suite A,
Lake Stevens, WA 98258
(425) 334-8588 · Fax (425) 335-5947
Web Address: lkstevenssewer.org

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

**MINUTES OF SPECIAL
COMMISSIONER WORKSHOP ON
February 17, 2022**

**Location: 1106 Vernon Rd, Suite A, Lake Stevens WA 98258 or
Remotely via GoToMeeting virtually**

Attendees: Commissioners Kevin Kosche, Dan Lorentzen, and Andrea Wright. District: Mariah Low, Johnathan Dix, Michelle Bauman and Melonie Grieser.

1. Call to Order at 3:01PM Commissioner Dan Lorentzen called the meeting to order.

Agenda - Commissioner Workshop to discuss rates and finances: Mariah shared informational slides on the rates and financial plan. The District's Guiding principles are to maintain a balance between environmental projections and affordability, no reduction in level of service, plan with consideration of the City ILA, strive for fewer rate increases over the planning horizon, retire debt and avoid taking on additional debt, and consider low/fixed-income customers. Analysis questions evaluated were: Will decreasing debt service offset personnel/materials costs? Where do those two trends meet and how long is it sustainable? With eventual reduction of new connections, when will rates have to contribute to Capital Costs? What would rates have to be to prevent having to take on more debt? Commissioner Lorentzen said the District has lived up to its promise to the community to not raise rates but we're coming to a point where it's unavoidable.

O&M is increasing at a much greater rate than debt is decreasing. ERUs were studied from 2017 out to 2033. In 2022, rates would have to increase \$4.15 per customer for the District to cover the gap in debt service and O&M expenses. The new customer growth projection is very limited and has plateaued due to limited, available, buildable land. Capital projects have been funded on connection fees collected. Capital expenses exceed the connection fees collected now and into the future. New connection fee rates going up to \$13,500 this year is taken into consideration in the graph. The limited new growth means limited funds collected from connection fees. The 2022 Capital Costs are funding large projects that cannot be deferred, aging infrastructure must be refurbished now, not later. In 2021, rates would have to increase \$26.33 per customer for the District to cover the gap in connection fees collected and capital expenses.

Commissioner Kosche suggested that the District should breakdown the monthly payment on statements to include what portions of the fee fund capital and O&M. Including, if the City charges a Utility tax that will show up on District statements. Include charts on website for customers to view.

2. **Concluded** at 4:35PM with no action taken.

Signed in a regular open public meeting this 10th day of March 2022



Dan Lorentzen, President and Commissioner



Andrea Wright, Commissioner

Kevin Kosche

Kevin Kosche, Secretary and Commissioner

Signature: 
Kevin Kosche (Mar 10, 2022 21:13 PST)

Email: kevin.kosche@lkssd.org

02-07-22 Commissioner Workshop

Final Audit Report

2022-03-11

Created:	2022-03-10
By:	Melonie Grieser (Melonie.Grieser@lkssd.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAq-85A8uvMb7zQBKY6K1JqLh-BZcaWVDo

"02-07-22 Commissioner Workshop" History

-  Document created by Melonie Grieser (Melonie.Grieser@lkssd.org)
2022-03-10 - 11:04:38 PM GMT - IP address: 207.183.1.30
-  Document emailed to Kevin Kosche (kevin.kosche@lkssd.org) for signature
2022-03-10 - 11:05:04 PM GMT
-  Email viewed by Kevin Kosche (kevin.kosche@lkssd.org)
2022-03-11 - 5:12:38 AM GMT - IP address: 72.132.99.119
-  Document e-signed by Kevin Kosche (kevin.kosche@lkssd.org)
Signature Date: 2022-03-11 - 5:13:14 AM GMT - Time Source: server- IP address: 72.132.99.119
-  Agreement completed.
2022-03-11 - 5:13:14 AM GMT