



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

**DRAFT AGENDA
COMMISSIONER MEETING
JANUARY 12, 2023 at 9:00 AM**

IN PERSON /VIRTUAL MEETING:

Please join our meeting at 1106 Vernon Rd, James B Mitchell Conference Room or join virtually via **Go To Meeting:** (You will be asked to identify yourself for our sign in sheet)

<https://global.gotomeeting.com/join/646704685>

You can dial in using your phone:

United States (Toll Free): [1 877 309 2073](tel:18773092073)

United States: [+1 \(312\) 757-3129](tel:+13127573129)

Access Code: 646-704-685

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **PUBLIC FORUM – Non-action Items** (please limit comments to 3 minutes)
4. **AGENDA APPROVAL**
5. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail):

	AMOUNT	CHECK #'s
A. Minutes: December 21 st & 22 nd (2)		
B. Lien Placements (65)	NA	
Lien Releases (49)	NA	
Lien Foreclosure Lawsuit (0)	NA	
C. Investments	\$66.00	
Withdrawals	\$175,950.91	
Transfers	NA	
D. Payroll	\$273,313.07	
E. 40 – Maintenance	\$530,898.25	10531 - 10584
F. 48 – SRF Principle & Interest Payment	\$135,201.29	10585 - 10585
G. 58 – Capital Expenditures	\$40,749.62	10586 - 10588
H. 60 – PWTF Principle & Interest Payment	NA	
I. Housekeeping -		

6. OLD BUSINESS

- A. Resolution No. 1041 Nesse Annexation Final Acceptance -
- B. Discussion and Follow Up on Commercial Rate & GFCs

7. NEW BUSINESS

- A. Resolution No 1142 – Transfer and Close Fund 50
- B. Resolution No 1143 – Transfer and Close Funds 45 and 56

8. MANAGERS' REPORTS

- A. General Manager
- B. Assistant General Manager

9. CITY REPORT

10. COMMISSIONERS' REPORT

11. EXECUTIVE SESSION

12. CONCLUDE

NOTICE: All proceedings of this meeting are audio recorded, except Executive Sessions

****PLEASE NOTE:** The Lake Stevens Sewer District will accept verbal citizen comments during the regular meetings in-person or virtually. Citizen comments submitted prior to the meeting to management@lkssd.org will be addressed during the public comment period.



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

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

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

**MINUTES
OF SPECIAL MEETING
BOARD OF COMMISSIONERS**

December 21, 2022

Utility Committee

**By Remote Participation via GoToMeeting.com and in person at
1106 Vernon Rd, Lake Stevens, WA 98258**

Attendees: Commissioners Dan Lorentzen, Kevin Kosche and Andrea Wright; Staff: Mariah Low and Johnathan Dix.

Guests from the City of Lake Stevens: Councilmembers Gary Petershagen and Marcus Tageant; Mayor Brett Gailey; and City Staff: Gene Brazel, Anya Warrington, and Aaron Halverson

1. **Called to Order** at 4:00 PM by Commissioner Lorentzen. He moved into the meeting agenda item "Utility Committee Meeting".
2. **Utility Committee Meeting** – The Committee discussed mutual projects and planning for the Lake Stevens UGA
3. **Conclude** – There being no further business, the meeting was concluded at 4:23 PM.

Signed at a regular open public meeting this 12th day of January 2023

Dan Lorentzen, Commissioner

Andrea Wright, Secretary and Commissioner

Kevin Kosche, President and Commissioner



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

**MINUTES OF
COMMISSIONER MEETING
DECEMBER 22, 2022, at 9:00 AM**

Attendees: Commissioners Dan Lorentzen, Andrea Wright and Kevin Kosche, District Staff: Mariah Low, Johnathan Dix, and Melonie Grieser. District Engineers: Barry Baker, G&O. Legal Counsel: Jordan Stephens

1. **CALL TO ORDER** – At 9:00 AM Commissioner Lorentzen called the meeting to order.
2. **PLEDGE OF ALLEGIANCE** – Commissioner Lorentzen led those present in the Flag Salute.
3. **State Auditor’s Office 2021 Financial and Accountability Audits Exit Conference** – SAO representatives, Erica Davies, Daryl Yuzon, Kristina Baylor, shared an audit PowerPoint. Both the Accountability Audit for 2020 and 2021 and the Financial Audit for 2021 were unremarkable and the results were great. The District complied with all requested material, all materials were unmodified, fairly presented and all met GAAP requirements. There were no deficiencies. The SAO team thanked Mariah Low, and staff, for their complete cooperation and for efficiently fulfilling requests for documentation. The next Financial Audit is scheduled for Fall of 2023.
4. **PUBLIC FORUM – Non-action Items** (please limit comments to 3 minutes) Commissioner Lorentzen asked if there were any public comments or questions submitted. Nothing submitted and no one in attendance.
5. **AGENDA APPROVAL** – Commissioner Kosche moved to approve the agenda. Commissioner Wright seconded the Motion. The Motion passed.
6. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail) – Commissioner Kosche moved to approve Consent Items A through I. Commissioner Wright seconded the Motion. The Motion passed.

	AMOUNT	CHECK #'s
A. Minutes: October 26 & Dec 8 th		
B. Lien Placements (0)	NA	
Lien Releases (0)	NA	
Lien Foreclosure Lawsuit (0)	NA	
C. Investments	\$9,981.97	
Withdrawals	\$29,882.86	
Transfers	\$4,556.27	
D. Payroll	NA	
E. 40 – Maintenance	\$173,101.54	10495-10527
	\$32,595.04	EFT 166
F. 48 – SRF Principle & Interest Payment	NA	
G. 50 – City of Lake Stevens Bond Payment	NA	

H. 58 – Capital Expenditures	\$29,882.86	10528-10530
I. 60 – PWTF Principle & Interest Payment	NA	
J. Housekeeping - Refunded and reissued check	\$1,308.00	10393 to 10494

7. OLD BUSINESS –

- A. FCS Group Presentation, 2022 Commercial Rate & GFC Review – Chris Gonzalez shared a PowerPoint presentation. Commissioners would like to see staff present ideas based on FCS recommendations.
- B. CLA Agreement Extension with Rate Increase – Mariah Low stated that this extension for the accountant agreement for 2023 includes an 8.5% increase for the year and offers up to four additional one-year terms. The original agreement provided the General Manager the ability to accept rate increases up to 3.5%, anything over that required Board approval. Staff recommends approving the agreement. Commissioner Kosche made a Motion to approve the agreement extension. Commissioner Wright seconded the Motion. The Motion was approved.

8. NEW BUSINESS -

- A. Board Elections for 2023 President and Secretary – Commissioner Lorentzen made a Motion to select Commissioner Kosche for president and Commissioner Wright for secretary. Commissioner Wright seconded the Motion. The Motion was approved.
- B. Resolution No 1039 – Reconfirming Regular Board Meetings and Location – Mariah Low stated that this Resolution is required annually. She stated that one correction was needed on the Resolution for the presentation date, changing it from 1-12-23 to 12-22-22. Commissioner Wright made a Motion to approve Resolution No 1039 with the date correction. Commissioner Kosche seconded the Motion. The Motion was approved.
- C. Resolution No 1040 – Declaring an Emergency Related to the Cross-Bore of Fiberoptic Conduit Through a Common Sewer Lateral – Johnathan Dix stated that this Resolution is for emergency work from Saturday December 10, 2022. A customer called the District regarding slow drains. On-call staff visited the area and found two open pits on the customers’ property with conduit sticking out of a pipe, and a trench was filling with inflow and infiltration. On-call staff contacted the General Manager who authorized emergency repairs for the health and safety of the community. This Resolution waves the normal procurement policy of the District and has been reviewed by legal and is recommended by staff. Commissioner Kosche made a Motion to approve the Resolution. Commissioner Wright seconded the Motion. The Motion was approved.

9. MANAGERS’ REPORTS

- A. General Manager – Mariah Low introduced new employee, Tracy Sambrano, Senior Accountant, to the Board. She stated that Plant flows were at 2.77 MGD. Snohomish County’s Ordinance 22-068 regarding prohibiting solid waste at transfer stations passed on December 14, 2022. The approval includes a delay for the implementation of the wastewater screenings portion of that

ordinance until the end of December 2023. Customer service has been training to take over some accounting tasks as duties shifts between the departments. Longtime G&O employee, Barry Baker, is retiring after 26 years working with the District.

- B. Assistant General Manager – Johnathan Dix stated that 125.83 GFCs were collected, and 230 permits issued year to date. He commended District staff for the emergency cross-bore incident and how quickly they responded. Land use applications were submitted to the City of Lake Stevens for Lift Stations 5C, 6C, and 4C projects and the ROW permit was submitted for the LS 5C decommissioning and new gravity line. These projects should be ready to go out to bid in early 2023. The District is waiting for City comments on the latest submittal for the Lift Station 2C and Downtown Gravity Replacement project. Johnathan also stated that the District is currently in negotiates with the company that is responsible for the cross-bore emergency and hopes to see a resolution soon.

10. CITY REPORT – Gene Brazel stated that City’s been dealing with snow and ice. Arco at Soper Hill is doing a soft open today.

11. COMMISSIONERS’ REPORT – Commissioner Wright stated that she was very impressed with the audit results and auditor comments and would like to see the audit results on the District’s website, if possible. Commissioner Wright will attend the WASWD Commissioner Workshop in January. She would also like to see a 2023 first quarter online newsletter with information about District business. Commissioner Lorentzen stated that he was very impressed on how smoothly the District has run even with staff turnover and difficulties this year.

12. EXECUTIVE SESSION – Jordan Stephens stated the Commission will now recess into Executive Session at 10:30 AM and excused the General Public; it is estimated the executive session will last until 10:45 AM. The purpose of the Executive Session, under RCW 42.30.110(1)(i), is to discuss potential litigation. At the conclusion of the Executive Session, no action will be taken by the Board of Commissioners. At 10:45 AM Commissioner Lorentzen extended the Executive Session until 11:00 AM. Commissioner Lorentzen concluded the Executive Session at 11:00AM.

13. CONCLUDE –Commissioner Wright moved to adjourn the Board Meeting. Commissioner Kosche seconded the Motion. The Motion passed at 11:00 AM.

Signed at a regular open public meeting this 12th day of January 2023

Dan Lorentzen, Commissioner

Andrea Wright, Secretary and Commissioner

Kevin Kosche, President and Commissioner



**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
COMMISSIONERS MEETING ON
December 22, 2022**

Location: Bruno's Pizzeria, 430 91st Ave NE, Lake Stevens, WA

Attendees: Commissioners Dan Lorentzen, Andrea Wright and Kevin Kosche

1. **Called to Order** at 1:15 PM by Commissioner Lorentzen
2. **District Holiday Lunch** – Commissioners were in attendance for the All-Staff Holiday celebration. They released all employees, in attendance, from work as of 1:43 PM. No business was discussed.
3. **Concluded** at 1:43 PM with no action taken.

Signed in a regular open public meeting this 12th day of January 2023

Dan Lorentzen, Commissioner

Andrea Wright, Secretary and Commissioner

Kevin Kosche, President and Commissioner

RESOLUTION NO. 1041

A RESOLUTION OF THE BOARD OF SEWER COMMISSIONERS OF LAKE STEVENS SEWER DISTRICT, SNOHOMISH COUNTY, WASHINGTON, ANNEXING A CERTAIN AREA KNOWN AS THE NESSE ANNEXATION TO THE LAKE STEVENS SEWER DISTRICT.

WHEREAS, a petition for annexation of a certain area contiguous to the Lake Stevens Sewer District, Snohomish County, Washington, described on Exhibits “A” and “B” attached hereto and by this reference made a part hereof, signed by the owners of not less than sixty percent of the area of land for which annexation is petitioned according to the records of the Snohomish County Auditor, as verified by Gray & Osborne, Inc., engineering consultants to the District, was heretofore filed with the Board of Sewer Commissioners of the District and the Board determined to entertain such petition, referred the matter to its engineers for review, and subsequently fixed the date for public hearing thereon at 9:00 A.M., October 27, 2022, at the District office, 1106 Vernon Road, Suite A, Lake Stevens, Washington, with remote participation provided for, and caused notices of the hearing to be published and posted in the manner required by law, and such hearing was duly held at such time and place; and

WHEREAS, notices of the hearing were published and posted in a manner required by law, and such hearing was duly held on October 27, 2022, at which the Board of Sewer Commissioners approved the Nesse Annexation to the Lake Stevens Sewer District subject to final approval by the Snohomish County Board Review Board; and

WHEREAS, in accordance with Chapter 36.93 Revised Code of Washington (“RCW”) a notice of intention to annex the area known as the Nesse Annexation to Lake Stevens Sewer District was filed with the Snohomish County Boundary Review Board pursuant to RCW 36.93 and RCW 57.02, and assigned File No. 07-2022; and

WHEREAS, the 45-day request for review period regarding the Nesse Annexation expired on December 29, 2022, with no requests for review, pursuant to RCW 36.93.100, filed; the Snohomish County Boundary Review deemed this proposal approved.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SEWER COMMISSIONERS OF LAKE STEVENS SEWER DISTRICT, SNOHOMISH COUNTY, WASHINGTON, AS FOLLOWS:

Section 1: The territory described in Exhibits “A” and “B” should be and the same hereby is annexed and made a part of the District and shall be so deemed effective immediately.

Section 2: The District’s Manager is hereby instructed to transmit two certified copies of this Resolution to the Snohomish County Council, through the office of the Snohomish County Boundary Review Board.

ADOPTED by the Board of Sewer Commissions, Lake Stevens Sewer District, Snohomish County, Washington at a regular open public meeting held on the 12th day of January 2023, at which the following Commissioners were present and voting.

LAKE STEVENS SEWER DISTRICT:

Dan Lorentzen, Commissioner

Andrea Wright, Secretary and Commissioner

Kevin Kosche, President and Commissioner

Exhibit A
Nesse Annexation Legal Description

That portion of the East Half of the Southwest Quarter of the Southwest Quarter of Section 20, Township 29 North, Range 6 East, Willamette Meridian, described as follows:

BEGINNING at the Northeast Corner of Lot 32, Plat of Harmony Woods recorded under AFN 9205275001, Records of Snohomish County, Washington;

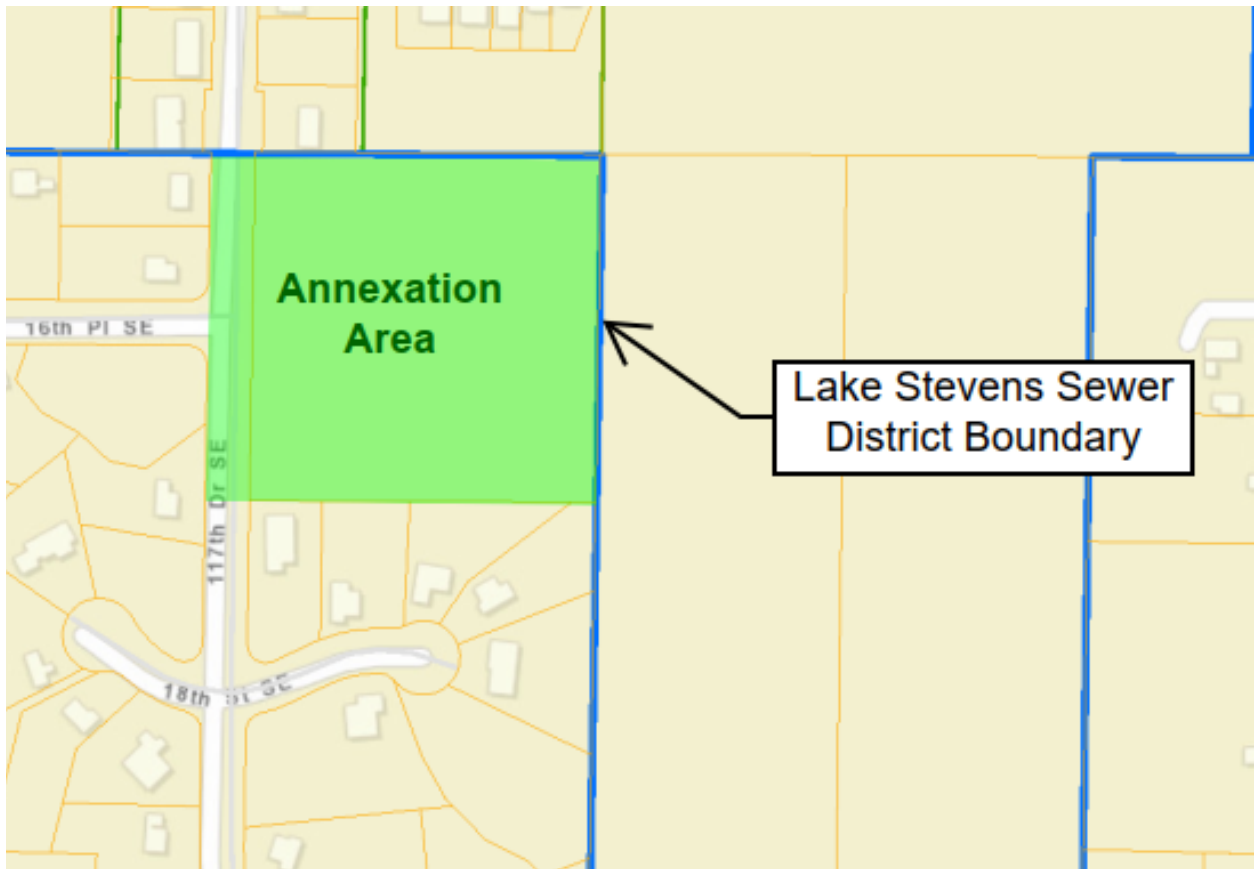
THENCE West along the North line of Lots 32, 33, 34 and 35 of said Plat and the Westerly extension thereof to the West Right of Way line of 117th Drive Southeast;

THENCE North along said West Right of Way line to the Northeast Corner of Lot 37 of said Plat, said point also being on the North line of the Southwest Quarter of the Southwest Quarter of said Section 20;

THENCE East along said North line to the Northeast Corner of said subdivision;

THENCE South along the East line of said subdivision to the POINT OF BEGINNING.

**Exhibit B
Vicinity Map**



RESOLUTION NO. 1042

A RESOLUTION OF THE BOARD OF SEWER COMMISSIONERS OF LAKE STEVENS SEWER DISTRICT, SNOHOMISH COUNTY, WASHINGTON, AUTHORIZING THE TRANSFER OF FUNDS AND CLOSING FUND 50.

WHEREAS, the Lake Stevens Sewer District operates a system of sewerage in the vicinity of Lake Stevens, Snohomish County, Washington; and

WHEREAS, the Lake Stevens Sewer District is a special purpose district organized under Title 57 of the Revised Code of Washington; and

WHEREAS, the Lake Stevens Sewer District and the City of Lake Stevens entered into a UNIFIED SEWER AND ANNEXATION AGREEMENT, together with Amendments No. 1, No. 2, No. 3, and No. 4 thereto (as so amended, the “Agreement”) relating to the provision of public sewer service in the Lake Stevens Urban Growth Area; and

WHEREAS, pursuant to Section 4.11 of the Agreement and Amendment No. 4, the Lake Stevens Sewer District agreed to transfer to the City funds necessary to pay the City sewer utility’s share of the City’s Limited Tax General Obligation Bonds, 2008 (the “2008 City LTGO Bonds”) and Public Works Trust Fund (PWTF) Loan No. PW-02-691-029;

WHEREAS, the Board of Commissioners of the Lake Stevens Sewer District recognize that the District Fund 50 (City Principle and Interest Bond Debt Payments) was established to manage debt service payments related to the 2008 City LTGO Bonds and PWTF Loan No. PW-02-691-029; and

WHEREAS, in 2022 the final payments for the 2008 City LTGO Bonds and PWTF Loan No. PW-02-691-029 were made to the City; and

WHEREAS, the Board of Commissioners of the Lake Stevens Sewer District has determined that the District monies being held in certain District accounts should be transferred

between accounting funds and unnecessary accounting funds of the District should be closed; and

WHEREAS, the Board of Commissioners of the Lake Stevens Sewer District, upon recommendation of the District staff, have determined that District Fund 50 is not necessary for District accountability and that the fund balance from Fund 50 should be transferred from Fund 50 to Fund 49 (District Principle and Interest Bond Debt Payments) and then Fund 50 should be closed.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SEWER COMMISSIONERS OF THE LAKE STEVENS SEWER DISTRICT; SNOHOMISH COUNTY, WASHINGTON, AS FOLLOWS:

Section 1: The General Manager, with her staff, is directed to take the necessary steps to accomplish the following:

- A. The fund balance from Fund 50 shall be transferred from Fund 50 to Fund 49, and
- B. Then, Fund 50 shall be closed.

Section 2: Any disbursements that are to be made from the Lake Stevens Sewer District Funds specified herein shall only be allowed upon further authorization of the Board of Commissioners.

ADOPTED by the Board of Sewer Commissions, Lake Stevens Sewer District, Snohomish County, Washington at a regular open public meeting held on the 12th day of January 2023, the following Commissioners being present and voting.

LAKE STEVENS SEWER DISTRICT:

Dan Lorentzen, Commissioner

Andrea Wright, Secretary and Commissioner

Kevin Kosche, President and Commissioner

RESOLUTION NO. 1043

A RESOLUTION OF THE BOARD OF SEWER COMMISSIONERS OF LAKE STEVENS SEWER DISTRICT, SNOHOMISH COUNTY, WASHINGTON, AUTHORIZING THE TRANSFER OF FUNDS AND CLOSING FUNDS 45 AND 56.

WHEREAS, the Lake Stevens Sewer District operates a system of sewerage in the vicinity of Lake Stevens, Snohomish County, Washington; and

WHEREAS, the Lake Stevens Sewer District is a special purpose district organized under Title 57 of the Revised Code of Washington; and

WHEREAS, pursuant to Resolution 839, the Board of Commissioners of the Lake Stevens Sewer District, Fund 45 (2010B Project Bond Proceeds) and Fund 56 (2010A Project Bond Proceeds) were established related to the Sewer Revenue Bonds, Federally Taxable Build America Bonds (“2010A”) and Sewer Revenue and Refunding Revenue Bonds, Federally Tax-Exempt (“2010B”); and

WHEREAS, the 2010A and 2010B Bonds were refunded as the Sewer Revenue Refunding Bonds, 2019; and

WHEREAS, the Board of Commissioners of the Lake Stevens Sewer District has determined that the District monies being held in certain District accounts should be transferred between accounting funds and unnecessary accounting funds of the District should be closed; and

WHEREAS, the Board of Commissioners of the Lake Stevens Sewer District, upon recommendation of the District staff, have determined that District Fund 45 and Fund 56 are not necessary for District accountability and that the fund balance from Funds 45 and 56 should be transferred from Funds 45 and 56 to Fund 49 (District Principle and Interest Bond Debt Payments) and then Funds 45 and 56 should be closed.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SEWER

COMMISSIONERS OF THE LAKE STEVENS SEWER DISTRICT; SNOHOMISH COUNTY, WASHINGTON, AS FOLLOWS:

Section 1: The General Manager, with her staff, is directed to take the necessary steps to accomplish the following:

- A. The fund balance from Fund 45 shall be transferred from Fund 45 to Fund 49, and
- B. The fund balance from Fund 56 shall be transferred from Fund 56 to Fund 49, and
- C. Then, Fund 45 and Fund 56 shall be closed.

Section 2: Any disbursements that are to be made from the Lake Stevens Sewer District Funds specified herein shall only be allowed upon further authorization of the Board of Commissioners.

ADOPTED by the Board of Sewer Commissions, Lake Stevens Sewer District, Snohomish County, Washington at a regular open public meeting held on the 12th day of January 2023, the following Commissioners being present and voting.

LAKE STEVENS SEWER DISTRICT:

Dan Lorentzen, Commissioner

Andrea Wright, Secretary and Commissioner

Kevin Kosche, President and Commissioner