



**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.

**AGENDA
COMMISSIONER MEETING
MAY 11, 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: April 27 th		
B. Lien Placements (68)	NA	
Lien Releases (54)	NA	
Lien Foreclosure Lawsuit (0)	NA	
C. Investments	\$63,563.20	
Withdrawals	\$1,985,719	
Transfers	NA	
D. Payroll	\$260,275.92	
E. 40 – Maintenance	\$157,902.23	10901-10947
F. 48 – SRF Principle & Interest Payment	\$1,465,247.26	10948
G. 58 – Capital Expenditures	\$17,814.80	10949-10952
H. 60 – PWTF Principle & Interest Payment	\$799,392.94	10953
I. Housekeeping -	NA	

6. OLD BUSINESS

A.

7. NEW BUSINESS

- A. 2022 Year-end Financial Report – [click link below to view](https://cms5.revize.com/revize/lakestevens/district_info/fiscal_reports.php#outer-346)
https://cms5.revize.com/revize/lakestevens/district_info/fiscal_reports.php#outer-346
- B. Sparman Annexation Cost Agreement

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.



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**MINUTES OF
COMMISSIONER MEETING
April 27, 2023, at 9:00 AM**

Attendees: Commissioners Dan Lorentzen, Kevin Kosche and Andrea Wright, District Staff: Rosalind Gorc and Melonie Grieser. Legal Counsel: Jack Follis, City: Gary Petershagen, City Councilman

- 1. CALL TO ORDER** – At 9:00 AM Commissioner Kosche called the meeting to order.
- 2. PUBLIC FORUM** – Non-action Items (please limit comments to 3 minutes) Commissioner Kosche asked if there were any public comments or questions submitted. No questions submitted. There were no public comments.
- 3. AGENDA APPROVAL** – Commissioner Lorentzen moved to approve the agenda as submitted. Commissioner Wright seconded the Motion. The Motion passed.
- 4. CONSENT ITEMS** (The Commissioners have previously reviewed these in detail) – Commissioner Wright moved to approve Consent Items A through I. Commissioner Lorentzen seconded the Motion. The Motion passed.

	AMOUNT	CHECK #'s
A. Minutes: April 13th		
B. Lien Placements (0)	NA	
Lien Releases (0)	NA	
Lien Foreclosure Lawsuit (0)	NA	
C. Investments	\$1,221,753.01	
Withdrawals	\$368,866.61	
Transfers	\$371,109.69	
D. Payroll	NA	
E. 40 – Maintenance	\$34,528.56	EFT 170
	\$108,372.26	10869-10899
F. 48 – SRF Principle & Interest Payment	NA	
G. 58 – Capital Expenditures	\$341.61	10900
H. 60 – PWTF Principle & Interest Payment	NA	
I. Housekeeping – Reissuing	NA	

5. OLD BUSINESS – None

6. NEW BUSINESS –

- A. WASWD Retrospective Rating Plan – The District has participated in the Retrospective Rating Plan through WASWD for several years. In 2022, the WASWD Retro Committee decided it would be beneficial for the Retro program and WASWD to try to grow the program by expanding

the membership to other types of organizations. After member and legal counsel input, several provisions of the Retro Agreement were modified and include, adding flexibility for the timing of refunds, light duty and kept on salary requirements, performance-based refunds, membership requirements for receiving refunds, criteria for continuing or disqualification from the program, committee composition, and allowable new members. The WASWD Board approved the revised Agreement and Rules at a special meeting on April 14, 2023. Staff is requesting from the Board authorization for the General Manager to execute the revised WASWD Retrospective Rating Plan Agreement. Commissioners would like to see District review the agreement before signing the contract. Commissioner Lorentzen made a motion to approve the General Manager executing the Retro Agreement after District legal review. Commissioner Wright seconded the Motion. The Motion passed.

- B. Discussion Connection fees/GFC - Staff is seeking direction from the Board prior to a Resolution regarding credits. For background, the District has learned from other Districts during prior WASWD meetings, that Districts handle connection fee and GFC credits in various ways. Currently the District has no policy regarding the expiration or application of credits for capped accounts. The idea is that the connection after 5 years has not been paying into the operation, maintenance, repair and replacement, or debt service of the system for that period which is then captured with the reconnection just like a new connection is. This will also help staff with tracking parcels that could possibly have credits. Currently the District has about 100 capped accounts ranging from 2003 to this year. Of the approximately 46 accounts that were capped and have since reconnected, the time capped has reached 6 ½ years. Is there anything else the Board would like to see covered in this potential resolution? Commissioner Lorentzen would like to see communication go out to all capped accounts prior to a change. Provide a small window of time for those existing capped accounts to reconnect without charge for the grandfathered accounts. Commissioner Kosche would like to keep records showing attempted correspondence.

7. MANAGERS' REPORTS

- A. General Manager – Rosalind Gorc gave the manager report for Mariah Low. Plant Flow is 3.215 MGD, 14.228 GFC collected YTD, 38 permits sold YTD, two seasonal employees will be starting on May 1st while other Districts/Cities are still looking for folks, we've filled both our positions with quality employees and are excited to get them started with the projects we must complete. All open positions have been filled.
- B. Assistant General Manager – Not in attendance.

- 6. CITY REPORT** – Gary Petershagen mentioned new Lake Stevens locations of Starbucks and Chipotle opening this week.
- 8. COMMISSIONERS' REPORT** – Commissioner Lorentzen spoke about the WASWD conference, and the information received there, and Commissioner Wright really appreciated hearing about the Retrospective Rating Plan through WCIA. Commissioner Kosche came across a letter addressed to his grandfather from the Lake Stevens Sewer District regarding a rate increase from 1983. He read the letter aloud. In Keeping with inflation, that \$36 a month rate is equivalent to a current monthly rate of \$107.
- 9. EXECUTIVE SESSION** – Jack Follis stated the Commission will now recess into Executive Session at 9:20 AM and excused the General Public; it is estimated the executive session will last until 9:45

AM. The purpose of the Executive Session, under RCW 42.30.110(1)(i), is to discuss potential or pending litigation. At the conclusion of the Executive Session, there will not be action taken by the Board of Commissioners and no announcement will be made. Commissioner Kosche closed the executive session at 9:45 AM.

- 10. CONCLUDE** – Commissioner Kosche made a Motion to adjourn the Board Meeting. Commissioner Lorentzen seconded the Motion. The Motion passed at 9:45 AM.

Signed at a regular open public meeting this 11th day of May 2023

Dan Lorentzen, Commissioner

Andrea Wright, Secretary and Commissioner

Kevin Kosche, President and Commissioner

Lake Stevens SEWER DISTRICT

FRONTIER VILLAGE

LAKE STEVENS, WASHINGTON 98258

(206) 334-5949

December 13, 1983

Dear Customer;

Regretfully, we must inform you of a rate increase for sewer service. In our letter to you dated July 29, 1983, we advised that an additional increase was needed, however, we would delay that increase as long as possible. We have now reached the point where we can no longer delay, therefore, a \$2.00 per month rate increase will become effective January 1, 1984.

For those customers receiving a December-January billing, the base charge will be \$34.00. The next billing period will reflect the total base increase for two months and will be \$36.00.

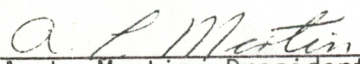
Our operation costs continue to increase annually and some of our expenses are beyond the control of the District. For example, our expenses for electricity will be about \$19,000 this year. The District has utilized the same Dodge van since 1973 as the primary vehicle of the District, and our employees have subsidized the lack of a second District vehicle with the use of their own. This procedure has been a strain on the District's ageing van and increased use was also causing a strain on the employees' vehicles. For those reasons we had to purchase another District vehicle. Upgrade of the 12 year old system is also necessitating additional maintenance operation funds.

In those areas where we can control cost we are doing everything possible to keep the cost at a minimum. One of the areas where we have kept our expenses down is in payroll. The Board determined that the District would not be able to allow salary increases in 1983. The District's customary procedure has been to give standard cost-of-living increases and some merit increases. Our employees understand the situation and have continued to put forward their best efforts.

The Board will continue to make every attempt to hold the expenses down. However, it is very likely that there will be at least another \$2.00 per month increase over the next two years. We realize that this information can be considered anything but good news. However, we do appreciate your continued good-will during our growing-pain years.

Sincerely,

The Board of Commissioners
Lake Stevens Sewer District


A. L. Martin, President


R. E. Stewart, Secretary


J. W. Sherin, Commissioner

COVER SHEET

Return Address:

Lake Stevens Sewer District
1106 Vernon Road, Suite A
Lake Stevens, WA 98258

Document Title: AGREEMENT REGARDING COSTS OF ANNEXATION

Reference Numbers:

Grantor: LAKE STEVENS SEWER DISTRICT

Grantee: Sheila Kay Sinn, Sole Surviving Trustee
Ralph Elof Sparman Marital Trust
Adabel Lee Sparman Family Trust of 2019

Legal Description: N/A

Assessor's Property Tax Parcel/Account Numbers: N/A

AGREEMENT REGARDING COSTS OF ANNEXATION

This Agreement is effective as of the 6 day of May, 2023 between Sheila Kay Sinn (the "Petitioner") and Lake Stevens Sewer District, a municipal corporation of the State of Washington (the "District").

RECITALS

A. Pursuant to a comprehensive plan, the District operates a system of sewerage for collection and treatment of sanitary sewage in a portion of the Snohomish County, Washington.

B. Petitioner owns real property (the "Property") that presently is outside of the District's boundaries.

C. Petitioner desires to have the Property annexed to the District.

D. Pursuant to RCW Chapter 57.24, concerning annexation of territory to a sewer district, Petitioner is initiating a petition (the "Petition") for annexation of an area that includes the Property to the District's boundaries.

TERMS AND CONDITIONS

IN CONSIDERATION of the mutual promises and performances provided herein, the parties hereto for themselves, their assigns and successors in interest, agree as follows:

1. Petitioner shall bear all costs incurred by the district arising out of or relating to the Petition (the "Annexation Costs"). The Annexation Costs shall include, but not be limited to, all engineering fees, attorney fees, recording fees, advertising, publication, and signature verification costs and District administrative expenses as determined pursuant to paragraph (3) herein related to District processing of the Petition.

2. Concurrent with the execution of this Agreement, in accordance with the District's Resolution No. 1021, Petitioner shall pay to the District \$1500.00 as a deposit, which, except as provided in Section 3, shall be refunded to the Petitioner without actual accrual and payment of interest after all fees and charges provided for in this Agreement have been paid by the Petitioner and the Annexation has been completed and adopted by the District.

3. The District shall bill the Petitioner for all Annexation Costs, plus an additional 15% of such Annexation Costs, or \$15.00 whichever is greater, for the District's administrative expenses. In the event the Annexation Costs are not paid in full within 30 days of completion and adoption of the Annexation and the balance is less than the deposit, the District reserves the right to deduct the balance due from the deposit and release the remainder, if any.

4. The Petitioner shall pay the District all Annexation Costs within fifteen days after receipt of each bill. Payments not paid within fifteen days of receipt of the bill shall be delinquent and shall bear interest at the rate of 12% per annum from the date of delinquency. For purposes of this Agreement, the bill shall be deemed received five days after it is deposited in first-class mail, postage prepaid, by the District's agent or employee.

5. The Petition and exhibits shall be prepared by the District's engineer and attorney. The Petition will be given to the Petitioner to obtain the required signatures of property owners on the petition. Any officer signing on behalf of a corporation must supply a copy of the bylaws authorizing that officer to obligate the corporation.

6. If Petitioner gathers the required number of valid signatures of Owners within the area sought to be annexed and submits the signed Petition to the District, then the District shall process the Petition pursuant to RCW Chapter 57.24.

7. The District does not promise or guarantee that the Property will be annexed into the District's boundaries, since annexation of the Property requires approval of governmental agencies in addition to the District.

8. Petitioner shall pay to the District all of the Annexation Costs concerning the petition prior to the district adoption of the final resolution annexing an area including the Property into the District.

9. All notices and payments relating to this Agreement shall be delivered personally or by first-class mail, postage prepaid, at the following addresses, unless otherwise provided for in writing:

Lake Stevens Sewer District
1106 Vernon Road
Lake Stevens, WA 98258

Westcott Holdings & Investments-Attn Kristi Kyle
1010 Market Street
Kirkland, WA 98033

10. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. The venue of any action brought hereunder shall be in the Superior Court for Snohomish County.

11. Time is of the essence of this Agreement. If any payment provided for in this Agreement is not timely made by the Petitioner, this Agreement may be terminated by the District at its option upon 10 days' written notice to the Petitioner. Such termination shall not affect Petitioner's obligation to pay for all Annexation Costs incurred prior to the date of termination.

IN WITNESS WHEREOF, the parties execute this Agreement as of the day and year first written above.

Petitioner: Ralph Elof Sparman Marital Trust,
Adabel Lee Sparman Family Trust of 2019



Sheila Kay Sinn, Sole Surviving Trustee

Lake Steven Sewer District, a
Washington municipal corporation

By: _____
President & Commissioner

By: _____
Secretary & Commissioner

By: _____
Commissioner

STATE OF WASHINGTON)

) ss.

COUNTY OF) Snohomish

This record was acknowledged before me on may 06 2023 by Sheila Kay Sinn as Sole Surviving Trustee of Ralph Eloff Sparman Marital Trust and Adabel Lee Sparman Family Trust of 2019.

SUBSCRIBED AND SWORN to before me on the 06 day of May, 2023.

Janak Quinn
Printed: Janak Quinn
NOTARY PUBLIC in and for the State of Washington,
Residing at Arlington WA
My commission expires: 06/29/2023

