



**LAKE STEVENS  
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FOR IMMEDIATE DISTRIBUTION

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### **Sewer District Continues Working in Good Faith Through Agreed-Upon City Merger Process**

LAKE STEVENS, WA – The Lake Stevens Sewer District and the City of Lake Stevens have been collaborating for nearly two years to craft a mutually agreed-upon process to merge District operations with the City prior to the contractual 2033 merger date.

An April 15 letter from Lake Stevens Mayor Brett Gailey misinformed the community about the District’s commitment to environmental stewardship and the community we serve. The District remains dedicated to helping protect ratepayers, public health, and the environment by operating responsibly and ensuring a thoughtful, measured merger in accordance with our agreement with the City, as described in more detail below.

“We only have one shot to get the merger right,” said District Commission President Andrea Wright. “The District and City have both agreed to negotiating an adjusted timeline. This is an appropriate process for two public agencies to go through, and we remain committed to working productively with the City and to the possibility of an early merger.

“Whether we can agree to an earlier timeline or stick with the original, agreed-upon timeline, the merger must be done thoughtfully, and it must uphold the integrity of this essential infrastructure and protect the interests of ratepayers, the environment and staff.”

### **Addressing misinformation**

The April 15 City letter expressed concerns about “transparency, fairness, and fiscal responsibility” related to recent salary increases. What the letter does not state is that the City participated in the review of the District’s General Manager. The District was not required to invite the City to participate in this review but did so as a good working partner.

The District routinely completes performance reviews and salary surveys and reviews job descriptions to ensure staffing levels are adequate and staff members are compensated appropriately when compared with their peers. As part of this routine process, District Commissioners approved a salary adjustment for managers, based on salary survey data. Commissioners also approved cost of living increases for all represented and non-represented staff.

“While we’re going through this merger process, the District must continue to operate a large and complex system that requires skilled and dedicated staff to serve our ratepayers and protect public health and the environment,” said Commissioner Wright. “Ensuring our staff are fairly compensated and that salaries and benefits are keeping up with economic realities is a routine part of running a public agency. Retaining these talented people is in the long-term interests of the City and our community and is essential to providing high-quality, reliable management of this essential public service.”

District staff are committed to protecting the environment and ratepayers throughout the merger process. The District has managed substantial debt, kept rate increases well below the inflation rate, reinvested in rehabilitating the aging sewer system, managed new growth while keeping rate increases as low as possible, and improved several programs ratepayers depend on. To illustrate how important these essential functions are to the District, staff have been recognized as regional leaders in environmental protection.

### **Background**

The City claims it has the legal right to assume the District under state law. In 2005 the District and City entered into a binding legal agreement that describes how the two agencies would merge. This agreement explicitly states that the merger and transfer of the District to the City will happen no earlier than 2033, unless there is a mutual agreement between the District and City to merge sooner.

In December 2020, the City Council ignored this agreement and passed an ordinance to take over District operations in 90 days. In 2021, the District filed a lawsuit in Snohomish County Superior Court, asking the Court to halt the City’s actions—which breached the original legal agreement—and alleged a violation of the Open Public Meetings Act by the Council and failure to follow proper procedures.

The Court granted the District’s request for an immediate injunction to halt the City’s attempt to assume the District in breach of the agreement while the litigation is pending.

In May 2022 the District and City agreed to pause the litigation and attempt to resolve the matter amicably. The District delivered a draft settlement and accelerated merger agreement to the City in February 2023. The draft settlement included several key provisions aimed at assurances and thoughtful commitments to making the transition process successful.

The District and City have been negotiating and exchanging feedback since that time. In tandem with the letter circulated by the City to District residents on April 15, the City notified the District that it will be restarting the litigation that had been paused while negotiations were ongoing.

Learn more about the process to merge the Lake Stevens Sewer District with the City of Lake Stevens at ([https://www.lkstevenssewer.org/our\\_community/city-sewer\\_district\\_merger\\_process\\_update.php](https://www.lkstevenssewer.org/our_community/city-sewer_district_merger_process_update.php)) and on Facebook @LakeStevensSewerDistrict.

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