

AN EXECUTIVE SESSION, STUDY-SESSION, & REGULAR MEETING OF THE BOARD OF THE COMMISSIONERS OF MANCHESTER WATER DISTRICT

December 9, 2003

EXECUTIVE SESSION – An Executive Session Meeting, pursuant to RCW 42.30.110(1)(g), was called to order at 5:00 p.m. by Chairman Steve Pedersen. Present were Chairman Steve Pedersen, Secretary Jim Strode, and Commissioner Kyle Galpin. Also in attendance was Alan Fletcher, General Manager, and Rick Gross, District Attorney.

The purpose of the Executive Session Meeting was to review employee performance. There were no actions taken by the Board during the Executive Session and the Executive Session adjourned at 5:23 p.m.

SPECIAL STUDY-SESSION MEETING – A special study-session meeting of the Board of Commissioners was called to order at 5:30 p.m. by Chairman Steve Pedersen. Present were Chairman Steve Pedersen, Secretary Jim Strode, and Commissioner Kyle Galpin. Staff present included Alan Fletcher, General Manager, Dennis O'Connell, Operations Supervisor, Janis, Kerr and Rick Gross, District Attorney. Also present was George Herbison, customer.

The purpose of the study-session was to further develop the Fiscal Year (FY) 2004 Budget. Discussed were the amount of money the District would contribute toward towards medical and dental benefits for employees and the placement of employees into the salary structure developed as part of the Salary Administration Plan (SAP).

No action was taken by the Board during the Special Study-Session Meeting. The Board acknowledged that the items and issues discussed during the Study-Session would be brought back to the Board during the regular open public meeting for further consideration and any formal action.

There being no further business to discuss, the meeting adjourned at 5:45 p.m.

REGULAR MEETING – Chairman Steve Pedersen called the regular meeting of the Manchester Water District Board of Commissioners to order at 6:00 p.m. Present were Chairman Steve Pedersen, Secretary Jim Strode, and Commissioner Kyle Galpin. Staff present included Alan Fletcher, General Manager, Dennis O'Connell, Operations Supervisor, Janis Kerr, and Rick Gross, District Attorney. Also present was George Herbison, customer.

1.0* **Consent Agenda**

- 1.1 **Approval of November 18, 2003, Regular Meeting Minutes.**
- 1.2 **Approval of November 25, 2003, Special Study-Session Meeting Minutes.**
- 1.3 **Approval of Vouchers** – Vouchers that have been audited and certified by the Auditing Officer as required by RCW 42.24.090. Vouchers have been recorded on a listing that was reviewed by the Board prior to the meeting. Approval for payment of these vouchers includes General Fund vouchers #497 through #540 totaling \$15,677.68; Construction Fund vouchers #545 through #548 totaling \$4,175.08; Street Light Fund voucher #549 totaling \$1,582.72.

1.4 **Approval of District Payroll Vouchers.**

Commissioner Strode made a motion to approve the Minutes, Vouchers, and Payroll as presented on the Consent Agenda. Commissioner Galpin seconded the motion. **The motion was unanimously approved.**

2.0 **Public Comment.** No public comment was received.

3.0 **Regular Agenda**

3.1* **Adopt FY 2004 Salary Structure & Employee Assignments.** Alan Fletcher presented the Salary Structure and Employee Assignments for FY 2004. He stated that the structure and employee placement into grades and steps, as determined in the Salary Administration Plan (SAP), will help to move District wages closer to the average competitive wage paid within the area for comparable positions. The General Manager added that the salary structure presented includes a 2.1-percent market adjustment as the schedule developed for the SAP was based on early 2003 data. Commissioner Pedersen stated that the District is taking this first step in moving toward a more competitive wage package for employees and that the District would benefit in the recruitment and retention of a highly skilled work force. Commissioner Galpin made a motion to adopt the FY 2004 Salary Structure & Employee Assignment schedule. Commissioner Strode seconded the motion. **The motion was unanimously approved.**

3.2 **FY 2004 Budget Presentation.** The General Manager presented the Fiscal Year 2004 Budget Message. He commented on past and future activities, essentially, a state-of-the-District report and what to expect in 2004. He outlined the various programs and projects that the District will be investing in the next fiscal year. He informed the Board that the budget numbers were presented in a cash format which clearly shows what revenue is received and how the District will spend money during FY 2004. Fletcher thanked the Board for their work during planning sessions that determined the District's spending priorities as well as its work with staff as to what projects should be accomplished in the upcoming year. In addition, the General Manager outlined the schedule of proposed Capital Outlay expenses, the projected General Fund revenue estimates and the anticipated Beginning Fund Balance for the FY. Also mentioned was that Water & Sewer Risk Management Pool had reimbursed the District approximately \$242,000 for damages resulting from the 2001 Nisqually Earthquake. These monies will be used to payoff the \$250,000 Public Works Trust Fund (PWTF) Emergency Loan. The Board acknowledged that the budget amounts have been extensively discussed and negotiated during the last couple of months and that the FY 2004 Budget document is easy to understand and clearly shows the revenues and expenditures estimated for FY 2004.

3.3* **Resolution No. 2003-14, Adopting the Budget and Making Appropriations for Fiscal Year 2004.** The General Manager presented Resolution No. 2003-14 that adopts the FY 2004 Annual Budget. He stated that it is the staff's goal and challenge to meet the entire District's needs within the budgeted amounts and to, when possible,

spend less money than budgeted. He provided the budgeted amounts for FY 2004 along with the budget numbers from FY 2003. Commissioner Strode made a motion to adopt Resolution No. 2003-14, Adopting the Budget and Making Appropriations for Fiscal Year 2004. Commissioner Galpin seconded. **The motion was unanimously approved.**

3.4 **Review of Financials**

3.4.1 **Water Sales Data.** The General Manager informed the Board that water consumption was substantially higher due to an unseasonably dry and warm summer. He provided for the Board's review a graph of the last three years of water consumption and income showing that water sales for FY 2003 was higher than in the past two years.

3.4.2 **Income & Expense Report.** The General Manager informed the Board that the Income and Expense Reports are completed up to October and that due to the dry summer that the District earned a decent net operating income for FY 2003. He stated that the extra income would provide a good base for the numerous capital projects slated for FY 2004.

4.0 **Miscellaneous**

4.1 **Administration Update.** The General Manager brought a draft press release to the Board's attention. The press release was created by the Water Purveyors Association of Kitsap County (WATERPAK) and basically brings to the public's attention to be aware of suspicious activities around their local water utilities. It outlines what to look for and how to react if something suspicious is noted. Fletcher also mentioned that he has been contacting local janitorial services for bids for once-a-week cleaning services for the District office. He stated that the administrative staff has always done this work and that their time could be better utilized. He has reserved spots for all of the commissioners to attend the Washington Association of Sewer and Water District's Commissioner Workshop to be held on Saturday, January 10, 2004. He informed the Board that talks will resume with the US Navy to take over their water operations in January 2004.

4.2 **Operations Update.**

Dennis O'Connell, Operations Supervisor, reported that daily tasks such as pump monitoring, sampling, and locates were completed as usual. Routine bacteriological samples were submitted with satisfactory results. Door hangers and shutoff procedures were completed as usual, with only one meter locked off. The walls and piping at Well 5 (Sedgwick) were cleaned and repaired and the chlorine switch at Well 4 (Bulman) was repaired. Staff installed two new meters in the month of November bringing the total number of new services to 41. He also informed the Commissioners that Don Hoskinson and Gary Schumacher attended a Clay-Valve training seminar and later in the month Gary attended an Asbestos Cement (AC) Pipe Procedures course. Dennis also noted that Gary passed the Water Distribution Manager-In-Training examination. The crew has installed a gate at Well 3's (Yukon Harbor) access road. Field crew and

office staff has received training on the new ADM Mapping software and are utilizing the software.

5.0* **Set Future Meeting Dates.** The Board of Commissioners set the following meeting dates:

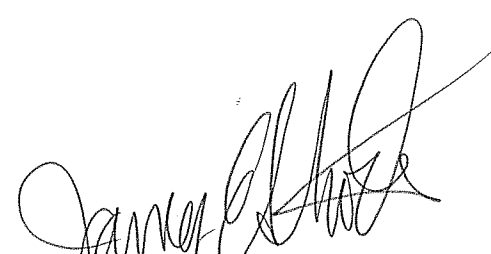
5.1 January 13, 2004, 6:00 p.m. – Regular Meeting.

5.2 February 10, 2004, 6:00 p.m. – Regular Meeting

6.0* **Adjournment.** There being no further business to come before the Board, Commissioner Galpin moved and Commissioner Strode seconded to adjourn the meeting at 7:25 p.m.



Steve Pedersen,
Chairman



James E. Strode,
Secretary



Kyle D. Galpin,
Commissioner