

THE REGULAR MEETING OF THE BOARD OF THE COMMISSIONERS OF MANCHESTER WATER DISTRICT

May 11, 2004

Chairman Steve Pedersen called the regular meeting of the Manchester Water District Board of Commissioners to order at 6:02 p.m. Present were Chairman Steve Pedersen, Secretary Jim Strode, and Commissioner Kyle Galpin. Staff present included Alan Fletcher, General Manager, Dennis O'Connell, Janis Kerr, and Rick Gross, Attorney.

1.0* Consent Agenda

1.1 **Approval of April 13, 2004, Regular Meeting Minutes.**

1.2 **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 #143 through #177 totaling \$19,190.24; Construction Fund vouchers #178 through #181 totaling \$2,097.15; Street Light Fund voucher #182 totaling \$1,587.68; and Capital Fund voucher #183 totaling \$1,269.44.

1.3 **Approval of District Payroll Vouchers.**

Commissioner Strode made a motion to approve the Vouchers and Payroll as presented on the Consent Agenda, excluding the April 13, 2004, Minutes, which will be held over until the next regular meeting. 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* **Resolution No. 2004-08, A Resolution Amending the Water and Sewer Insurance Pool (Pool) Interlocal Agreement.** Alan Fletcher, General Manager, explained that on March 18, 2004, the Board of Directors of the Water & Sewer Risk Management Pool proposed changes to the initiating Interlocal Governmental Agreement (Agreement) governing the Pool's activities. Before the amended Agreement can become effective, two-third's (2/3) of the Pool membership must approve the amendments. A summary of the intent and reasons for the changes as well as proposed language is included in the meeting packet. The changes primarily consist of grammatical, timing, and administrative changes. Commissioner Strode made a motion to approve Resolution No. 2004-08, a resolution amending the Water and Sewer Insurance Pool Interlocal Agreement. Commissioner Galpin seconded. **The motion was unanimously approved.**

3.2* **Resolution No. 2004-09, A Resolution Amending Comprehensive Water System Plan (Plan).** The General Manager presented Resolution No. 2004-09 which updates the 10-year Capital Improvement Program (CIP). He explained that a Plan amendment is needed in order to update the District's General Facility Charges and to qualify for State Revolving Loan Fund monies.

Commissioner Strode made a motion to approve Resolution No. 2004-09, a resolution amending the Comprehensive Water System Plan, Sect 8.1, Capital Improvement Program. Commissioner Galpin seconded. **The motion was unanimously approved.**

- 3.3* **FY 2004 Mid-Year Health Insurance Rate Increase.** The General Manager presented the mid-year health insurance rate increase to the Board. It was noted that during the FY 2004 Budget process, the Board requested mid-year premium information be brought forward for possible adjustment to the District's co-pay. The premiums increased by approximately 13-percent for the second half of FY-2004. Currently the District contributes \$575.00 per month, per employee for health insurance. After discussion, the Commissioners acknowledged the current out-of-pocket contributions by employees and stated that they would increase the District's co-pay to \$655.00 per month, per employee to cover the rate increase. They requested that staff check into other health plans for comparative pricing. Commissioner Galpin made a motion to authorize an increase for employee health care coverage from \$575.00 per employee, per month to \$655.00 per employee, per month. Commissioner Strode seconded the motion. **The motion was unanimously approved**
- 3.4 **T-Mobile Wireless Agreement Update.** The General Manager informed the Board that the District had verbally agreed to the terms of an Option to Lease and Communication Lease with T-Mobile Wireless to use the California Avenue tank site for a wireless communication station. T-Mobile's legal department is reviewing the proposed agreement. The monthly rental price has been negotiated to \$800 per month with a three-percent annual increase. T-Mobile is moving forward with the feasibility analysis. While the District has allowed on-site access for engineering reconnaissance a signed agreement will be required before any on-site work is performed.
- 3.5 **Kitsap County Multi-Hazard Mitigation Plan Update.** The Multi-Hazard Mitigation Plan Update that Kitsap County is working on with the District and other Kitsap County agencies is now in draft form. Alan Fletcher, General Manager, stated that Kitsap WaterPak members will be reviewing and discussing the contents. Public meetings are offered to give the community an opportunity to not only review the current plan but also to evaluate the mitigation strategies and to make comments. The draft plan will be available soon and will be supplied to the Board of Commissioners for comment in advance of any formal adoption process.
- 3.6 **General Manager's Annual Performance Review.** Time has arrived for the General Manager's annual performance review. A meeting will need to be scheduled and determine what process the Commissioners would prefer. Alan Fletcher, General Manager, provided some suggested formats for gathering information from the employees as well as a sample Evaluation form. After discussion, the Board appointed Commissioner Pedersen to work with the General Manager as to what process will be used. Commissioner Pedersen and Alan Fletcher, General Manager, will setup a preliminary meeting after June 12.

3.7 Review of Financials.

3.7.1 Water Sales Data. The water sales through April 30, 2004 are slightly above April 30, 2003 water sales. The General Manager commented that the District should remain on track for a small inflationary increase in rates for 2005. Commissioner Strode stated he would like to hold off that discussion until we see our income from the summer months and make a determination once more information is known.

3.7.2 Income and Expense Report. Reviewed were the Income and Expense Report for the year ending March 30, 2004.

4.0 Miscellaneous

4.1 Operations & Capital Projects Updates. 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 an unsatisfactory sample from the Banner Road Tank. Repeat samples indicated the source of coliform bacteria was from the tank itself. In the month of March the tank had been taken offline, completely drained, cleaned, and treated with a chlorine solution. Since that maintenance had been already completed the Department of Health recommended that the off-line tank be treated with higher doses of chlorine and allowed to have a week or more of contact time. After adequate contact time the water in the tank will be de-chlorinated and new samples taken. Alan Fletcher, General Manager, stated that this is part of the challenge of managing an unchlorinated water system and that further unsatisfactory samples could result in a State Department of Health mandate to begin chlorinating the entire system. Staff will continue to monitor this issue closely. The semi-annual water main flushing was completed in the month of April and three new meters were installed. Staff repaired three main leaks and one service leak. The old floor coverings have been removed and various repairs have been made to the rental unit. Dennis reported that applications have been received for the Seasonal Employee position and interviews will be conducted in the near future. Bids for the riding lawnmower are being submitted and that Washington State Contract pricing is being used as our threshold. Also that progress is being made on determining the manufacturer of hand held meter read devices we will be purchasing. Neighbors have been contacted regarding the painting of the Yukon Harbor pump station.

4.2 Administration. Alan Fletcher, General Manager, reported that four separate Public Works Board and the State Revolving Fund Loan applications were mailed out on May 11. Alan and Commissioner Galpin attended the Pacific Northwest Section American Water Works Association Conference (AWWA) and reported that the conference was beneficial and educational. During the conference they met with Ed Cebron and Courtney Black of Financial Consulting Solutions Group who are working on the updating the General Facility charges. The results of the study should be ready for

presentation at the next Board meeting. RH2 Engineering's recommendations were received advising that the Cedar Street Tank's interior be thoroughly recoated. The report noted that the project was not an emergency and that it could wait a couple of years to be worked into the CIP schedule. Part of that work would be a new pump house and enclosure for electrical equipment. Dennis is researching what type of structure is needed and believes that the recoating and pump house work will be combined into one large project. The General Manager acknowledged he has recently spoken with the owner of the property directly behind 2082 E Spring Street (rental unit). The owner offered to sell the back piece to the District. Commissioner Strode stated that it would be a good idea to investigate that possibility.

5.0 Future Meeting Dates

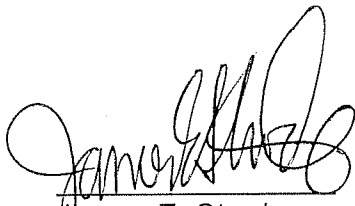
5.1 June 8, 2004, 5:00 p.m. – Regular Meeting

5.2 June 17, 2004, 5:00 p.m. – Board Tour of District Facilities

6.0 **Adjournment.** There being no further business to come before the Board of Commissioners, Commissioner Strode moved and Commissioner Galpin seconded to adjourn the meeting at 8:00 p.m.



Steve Pedersen,
Chairman



James E. Strode,
Secretary



Kyle D. Galpin,
Commissioner