

THE REGULAR MEETING AND STUDY SESSION OF THE BOARD OF THE COMMISSIONERS OF MANCHESTER WATER DISTRICT

April 13, 2004

STUDY-SESSION

The Board of Commissions met at 5:40 p.m., in a Special Study-Session Meeting. Present were Chairman Steve Pedersen, Secretary Jim Strode, Commissioner Kyle Galpin, Dennis O'Connell, Operations Supervisor, and Alan Fletcher, General Manager. The purpose of the Study-Session was to tour the District's rental property at 2082 Spring Street East and to discuss repairs to the modular home on the property. 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 a regular open public meeting for further consideration and any formal action. The Study-Session ended at 5:55 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, Janis Kerr, and Rick Gross, Attorney. Others present were Scott Rogers, RH2 Engineers. Customers present were Mr. and Mrs. Neff.

1.0* **Consent Agenda**

1.1 **Approval of March 9, 2004, Regular Meeting Minutes.**

1.2 **Approval of March 16, 2004 Special 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 #92 through #132 totaling \$23,656.58; Construction Fund vouchers #133 through #139 totaling \$3,468.38; Street Light Fund voucher #140 totaling \$1,592.54; and Capital Fund vouchers #141 and 142 totaling \$1,562.51.

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* **Request for Relief from Meter Base Charges – Neff, 3724 Nokomis Road.** Alan Fletcher, General Manager, explained that Mr. and Mrs. Neff have two meters on their property. One meter serves the house and the other meter is connected to a garage and attached apartment, and is used for outside irrigation for the entire property.

The billing history shows that water is used through the garage meter on a consistent basis. The account for the second meter was set up over 20 years ago and was used to serve the garage/apartment on the property. The General Manager described the Neff's long history of complaints about the base charges for the second meter. During that time, the District has offered to remove the meter; thereby eliminating the charge, however, it would be necessary for the Neff's to reconfigure their plumbing to continue to get water to the garage. The Neff's objected to paying for the extra meter because very little water is used in the winter months and that on a combined basis they use less water than their neighbors but pay more due to the extra meter. The Neff's do not feel that they should be responsible for reconfiguring their plumbing if the meter is removed. Commission Strode explained the District's practice of uniform billing for meter taps and that in order to eliminate the fee base charge for the meter it would have to be removed. Commissioner Pedersen informed the Neff's that the District has a policy that will enable a customer to terminate a water service and asked staff to forward the documentation to the Neff's. Alan Fletcher stated that the District could assist in the disconnection of the meter up to a point, but that any work on the customer's side of the meter assembly would be the Neff's responsibility. Commissioner Pedersen requested that a letter from the Board of Commissioners be sent the Neff's discussing their options and that there is a record of the problem being discussed. There was no action taken in support of the Neff's request, citing the District's policy on the uniform billing of accounts.

3.2* **Southworth Drive Pipeline Assessments.** Recently a customer inquired about the cost of a hookup along a roadway easement that travels between Garfield Road and Southworth Drive. The property owner received a cost estimate in 2003 that was substantially lower than a front footage estimate for extending pipeline along the easement; the customer prefers to hook up on the easement pipeline. The prior estimate looked at the property as a back-lot meter tap since the property fronted Garfield Road. Staff explained that there is no hydraulic advantage to extending the pipeline on the easement and that the District could still consider the property a back-lot, due to the Garfield Road frontage, and tap the pipeline on the easement, as it would be a straightforward hookup and allow better access for future maintenance. Commissioner Strode requested that staff review estimate forms for a time limitation so customers are aware that changes may occur. Commissioner Pedersen asked staff to research if the District has an adequate pipeline easement by the subject property and to speak with the owner if not. The Board agreed with treating the property as a back-lot property due to its unique configuration and considering the mitigating circumstances. No formal action required.

3.3* **Resolution No. 2004-05 (Tabled Item), Allowing District Customers to Terminate Water Service.** As discussed at the March meeting, the District has had inquiries from property owners who have water service to tax lots that adjoin their primary residence and who desire to terminate water service. Alan Fletcher, General Manager informed the Board that language has been added to the Resolution that states that the termination process would be recorded against the property and also that the District will pay for all the decommissioning costs up to \$250 and any expenses after that would

be paid for by the customer. The resolution also clearly states that termination of the service would be without any District reimbursement for past payments and with no future obligation to serve water to the property. Additionally, if water service is requested in the future that it would then be required to pay all current applicable connect charges, assessments, and fees as if a meter had never been present. Commissioner Strode made a motion to approve Resolution No. 2004-05. Commissioner Galpin seconded. **The motion was unanimously approved.**

- 3.4* **Resolution No. 2004-06, Amending Schedule of Fees and Charges.** Resolution No. 2004-06 would add the dollar limit for decommissioning a terminated water service pursuant to the water service termination process detailed in Resolution No. 2004-05. The \$250 allowance provides for about three-hours time for two men and a backhoe. If the cost of decommissioning a meter exceeds \$250 the extra cost would be the property owner's responsibility. Commissioner Galpin made a motion to approve Resolution No. 2004-06. Commissioner Strode seconded. **The motion was unanimously approved.**
- 3.5* **Resolution No. 2004-07, Declaring Surplus Property.** The General Manager presented Resolution No. 2004-07 that declared the District's riding lawnmower and portable generator as surplus items. He stated that both items being surplus are old, in poor condition, and/or are not serviceable. Commissioner Strode made a motion to approve Resolution No. 2004-07. Commissioner Galpin seconded. **The motion was unanimously approved.**
- 3.6* **Memorandum of Understanding, Washington State Health Care Authority (HCA).** The General Manager reported that the proposed Memorandum of Understanding (MOU) is an agreement that insures that HCA and employers are in compliance with the Federal Health Insurance Portability and Accountability Act Privacy Rule as well as state privacy and confidentiality laws. The MOU does not change how the District treats medical records today. The District only releases medical information with the written consent of the employee or if subpoenaed. Commissioner Strode made a motion to approve the MOU and to authorize its execution by the General Manager. Commissioner Galpin seconded. **The motion was unanimously approved.**
- 3.7* **Proposed Rental Property Upgrade.** Alan Fletcher, General Manager, thanked the Board for walking through the rental property at 2082 E Spring Street before the regular meeting. The General Manager stated that staff does not anticipate utilizing the property within the next one to three years and feels that some investment into upgrading the flooring and appliances would be in order. As the Commissioners witnessed the current refrigerator is in poor condition as is the carpeting and linoleum. He informed the Board that the District currently realizes over \$6,000 per year income for the rental (\$600 rent, less utilities and taxes), so the investment would be recovered in a short time. Also, the property directly behind the rental has been purchased by a new owner and the new owner has asked if the District would be interested in splitting the cost of installing a new fence between the two properties. Commissioner Strode supported the upgrades and to splitting the cost of new fencing with the neighbor.

Commissioner Pedersen stated that he would like staff to supervise the construction of the fencing to assure that it is built securely. The Board of Commissioners supported the upgrades to the rental property and directed staff to proceed. No formal action required.

- 3.8* **Proposed T-Mobile Wireless Facility.** Baran Telecom, on behalf of T-Mobile Wireless, has contacted the District to request renting space on one of the California Avenue Tanks for placement of wireless antennas and associated ground equipment. Rick Gross, District Attorney, has developed an "Option to Lease and Communications Lease Agreement" (Agreement) based upon his experience in dealing with such issues. The General Manager explained that the lease would be for an initial term of five years for an annual rent of \$10,200. The District would control subleasing options. Baran Telecom countered with a lower annual rental price. Commissioner Pedersen asked Rick if he had ever encountered any problems with the surrounding neighbors complaining about any object being placed upon towers and Rick answered that he had not. Rick stated that written into the lease is verbiage regarding environmental protection. Commissioner Strode made a motion to authorize the General Manager to negotiate a contract to pursue an option and lease agreement with Baran Telecom on behalf of T-Mobile Wireless. Commissioner Galpin seconded. **The motion was unanimously approved.**
- 3.9* **Public Works Trust Fund Planning and Construction Loans.** The General Manager reminded the Board that the District will be applying for a Public Works Trust Fund (PWTF) loan for capital improvements as approved during the FY-04 budget process. Staff is currently working on applications for three loans. The first loan is an \$850,000 PWTF loan (\$1-million gross, 15-percent match, 0.5% interest) for capital improvements. The second loan is a \$100,000 PWTF loan for the Comprehensive Plan Update (6-year, no interest loan); and the third loan is a State Revolving Fund Loan (1.5% interest, no match) to fall back on if the PWTF loan is not successful. Commissioner Strode made a motion that the General Manager submits the three loan applications to the Public Works Trust Fund and the State Revolving Fund. Commissioner Galpin seconded. **The motion was unanimously approved.**

3.10 **Review of Financials**

3.10.1 **Water Sales Data.** The first quarter of 2004 is comparable to 2003's water consumption and income.

3.10.2 **Income and Expense Report.** The Income and Expense Reports through the month of February 2004 is somewhat low due to depreciation but that is to be expected and should make the appropriate gains when the weather warms up.


4.0 **Miscellaneous**

- 4.1 **Operations & Capital Projects Updates.** Dennis O'Connell, Operations Supervisor, reported that daily tasks were completed as usual and that routine bacteriological samples were submitted with satisfactory results and that door hangers for non-pay disconnects were hung and shutoffs completed. Staff installed four new services. The Cedar Street Tank was drained and cleaned, then inspected by engineering staff. Dennis presented photos of the interior of the tank which showed considerable bubbling and peeling of the coating. He stated that he is waiting for the engineers' opinion whether or not the interior recoating can be delayed one year in order to paint the interior and the exterior all at the same time. Special projects included repair of the barbed wire surrounding Sedgwick Tank and the double gates at Garfield Pump Station were replaced. Don Hoskinson and Don Cureton attended a flagging certification class and a new portable generator had been purchased. Dennis informed the Board of Commissioners that the total water production for the month of March 2004 was 17,741,700 gallons and that to date 12 new services/meters have been installed.
- 4.2 **Administration.** Alan Fletcher, General Manager, reported that he had attended the Manchester Community Association meeting which was held on April 27. He stated that he will try to attend as a representative of the Water District and encouraged Board members to attend as well. He reported that the District will be submitting an advertisement for a seasonal employee soon. Meetings for the Kitsap Peninsula Watershed Planning are continuing and writing of the plan has begun. Also, that he had been in contact with Jeff Young regarding a four-inch water main to his property on Young Hill Lane would cost him in the range of \$35,000 to \$50,000 to install. He may consider using the meter he already owns on Harper Hill Road. Regarding the Glendale Street main extension the General Manager reported that RH2 had done some work for the property and that the work was independent of Manchester Water District. He asked the Board if they would like to take a tour of the facilities in the near future. Commissioner Pederson thought that would be a great idea and requested that a special meeting be scheduled to allow plenty of time to view the sites. Dennis O'Connell asked the Commissioners if the paint color on one of the pump stations that is in a neighborhood could be changed to a color that would fit in with the surrounding homes. Commissioner Pedersen thought that would be fine but just not to use anything trendy. Alan Fletcher, General Manager, reported that an Executive Session is not necessary tonight, as more inspections of the Fuel Depot's water system will be needed. He informed the Commissioners that during the cold weather in January that the 4-inch ductile iron pipe on the pier had buckled. He is waiting to hear back from the Fuel Depot's personnel.

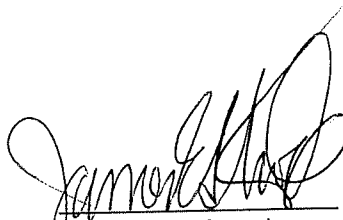
5.0 **Future Meeting Dates**

- 5.1 May 11, 2004, 5:00 p.m. – Regular Meeting
- 5.2 June 8, 2004, 6:00 p.m. – Regular Meeting

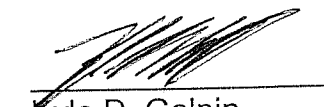
- 6.0 **Adjournment.** There being no further business to come before the Board of Commissioners, Commissioner Galpin moved and Commissioner Strode seconded to adjourn the meeting at 8:28 p.m.



Steve Pedersen,
Chairman



James E. Strode,
Secretary



Kyle D. Galpin,
Commissioner