

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

March 9, 2004

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, Jeff Young, and Wendy Pendley.

1.0* Consent Agenda

- 1.1 **Approval of February 10, 2004, Regular Meeting & Executive Session 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 #49 through #86 totaling \$19,519.10; Construction Fund vouchers #87 through #90 totaling \$1,714.56; and Street Light Fund voucher #91 totaling \$1,622.00.
- 1.3 **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* **SCADA Engineering & Design Contract - RH2 Engineers.** Alan Fletcher, General Manager, presented the Engineering Services Agreement between RH2 and the District for design of the Supervisory Control and Data Acquisition system (SCADA). Scott Rogers, RH2 Engineers, presented an overview of the proposed engineering and design contract and responded to various questions regarding system components and how design will provide for staged implementation. Commissioner Galpin made a motion to approve the contract for the design and engineering of a SCADA system and to authorize the General Manager to execute contract documents that are in substantial compliance with the draft agreements. Commissioner Strode seconded the motion. **The motion was unanimously approved.**
- 3.2* **Resolution No. 2004-05, A Resolution Allowing District Customers to Terminate Water Service.** The General Manager explained that the District has had inquiries from two different property owners who have water service to tax lots that adjoin their primary residence and who would like to terminate water service, as they will not be developing the lots. Proposed is a termination process, described in Resolution No. 2004-05 that consents to the termination of service with certain conditions. The Resolution includes a contract that property owners sign stating that they are relinquishing water service

to that piece of land and that if a water service is desired in the future that it would be subject to hookup fees in place at that time. The document would be recorded by Kitsap County against the property. Questions were asked regarding if the meter would then be completely pulled out of the ground or left in place and when a customer should be charged for the termination service. Dennis O'Connell said that it would be best to decide on a case-by-case basis, as some meters are located along county and state highways where permits would be required to work in the right-of-way. Commissioner Pedersen requested that Resolution No. 2004-05 be tabled until the March meeting to allow time for staff to identify a hard and fast policy as to when a customer would be charged for terminating a meter. Commissioner Galpin made a motion to table Resolution No. 2004-05 until the March meeting. Commissioner Strode seconded. **The motion was unanimously approved.**

- 3.3 **In-Lieu-of-Assessments (ILOA) Agreements and Proposed Main Extensions.** The General Manager reviewed the history of ILOA agreements and the policy for main extensions. Dennis showed examples how the installation of water mains benefits customers as opposed to installation of spider lines (customers serviced from pipes on other streets, typically long distances from meters). Currently there are new developments that will require main extensions and/or upgrades, with some triggering participation from properties that have ILOA obligations. Today, most of the frontage properties have been developed, leaving properties that are more difficult to develop and many times requiring improvements. Clearly, when lots that may have hooked up several years ago require a property's cost participation there is the potential for property owners to have forgotten about their ILOA obligation and to protest paying their share. Staff presented two issues regarding main extensions and upgrades.

In one case, Jeff Young is requesting water service to a property that does not front a water main, but is located on the end of a private cul-de-sac that is served by a 2-inch pipe. RH2 had conducted a hydrological analysis and has determined that the 2-inch pipe cannot support another service when considering Health Department minimums. The option for the Young property include installing a new, larger pipe on the cul-de-sac or being serviced from the mainline on Harper Hill Road, which would involve Mr. Young obtaining easement and trenching a rather long service line. Staff observed that since the 2-inch pipe provides only minimal service to the existing 6-homes that a case could be made for District participation in a pipeline upgrade. The Board asked staff to determine the cost of an upgrade and possible formula for cost participation for Mr. Young's decision-making and report to the Board.

Another issue involves property owned by Wendy Pendley, Cole Loop, whose failing septic will require connection to public water. There is no main on Cole Loop and a mainline extension would be required. Discussion centered on the potential for including a Cole Loop pipeline in the Yukon Harbor pipe job scheduled for 2005-2006 or having Ms. Pendley extend the main to service her property as required by policy. The Board noted that it is important to have a consistent policy on main extensions, realizing that some exceptions have and may occur over time on a case-by-case basis. The Board asked staff to work with Ms. Pendley regarding an extension of service.

3.4 **Kitsap County Coordinated Water System Plan.**

The General Manager explained that in the early 1990's a Coordinated Water System Plan was adopted. A group of water districts are currently working on a plan update and District staff is part of the review process. When a draft plan is completed, the General Manager will present it to the Board for their acknowledgment.

3.5 **Kitsap County Hazard Mitigation Plan.** The General Manager reminded the Board that last year the County had begun work on the plan and is now back on track for completion. He explained that the District is signing onto the County's plan instead of developing its own. Once in place, parties to the plan are eligible to receive state and federal aid following disasters, e.g., the 2001 Nisqually Earthquake.

3.6 **Capital Improvements & Front Footage Assessment Special Meeting.** The General Manager reminded the Board that the meeting has been set with Financial Solutions Consulting Group (FCSG) for Tuesday, March 16. Ed Cebron of FCSG will discuss details regarding the reworking of the District's connection fees and assessments into a General Facility Charge.

3.7 **Review of Financials.**

3.7.1 **Water Sales Data.** The water consumption reports through the end of February 2004 were presented.

3.7.2 **Income & Expense Report.** The General Manager presented the Income & Expense Report for the year ending January 31, 2004.

4.0 **Miscellaneous**

4.1 **Operations & Capital Projects Updates.** Dennis O'Connell, Operations Supervisor, reported that in February four new water services were installed. Additionally, daily tasks such as pump monitoring, sampling, and locates have been completed. Dennis attended a Vulnerability Assessment course in Boise in anticipation of the Assessment the District will conduct this year. A meter, previously inside a fenced yard was relocated to the right-of-way. In addition, staff installed wiring that would enable the District to receive payments over the phone utilizing credit cards.

4.2 **Administration.** Alan Fletcher, General Manager, reported that he has been attending the Kitsap Peninsula Watershed Planning meeting focused on water resource availability in the area. He state that negotiations are still continuing with the US Navy regarding taking over the water system at the Manchester Fuel Depot. He will attend an upcoming Public Works Trust Fund (PWTF) workshop and begin writing the Fiscal year 2003 state audit report. He informed the Board that our internet company has changed ownership and rather than have to change e-mail addresses that a domain name, "manchesterwater.org", was purchased. Also, that the American Water Works Association Pacific Northwest Conference was scheduled for May 5-7, and that Board members wishing to attend to please contact him for registration.

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5.0 Future Meeting Dates

5.1 March 16, 2004, 5:00 p.m. – Special Meeting

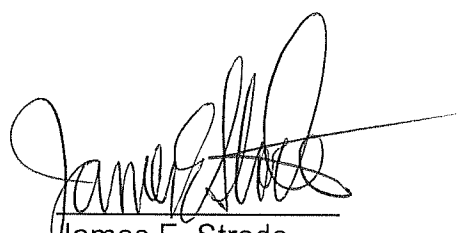
5.2 April 13, 2004, 6:00 p.m. – Regular Meeting

5.3 May 11, 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 9:00 p.m.



Steve Pedersen,
Chairman



James E. Strode,
Secretary



Kyle D. Galpin,
Commissioner