

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

February 10, 2004

Chairman Steve Pedersen called the regular meeting of the Manchester Water District Board of Commissioners to order at 6:05 p.m. Present were Chairman Steve Pedersen, Secretary Jim Strode, and Commissioner Kyle Galpin. Staff present included Alan Fletcher, General Manager, Dennis O'Connell, Operation's Supervisor, Janis Kerr, Rick Gross, District Attorney, and Paul Gilligan and Scott Rogers of RH2 Engineers, Inc. Public present included Dick & Alison Sonntag.

## 1.0\* Consent Agenda

- 1.1 **Approval of January 12, 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 #550 through #591 & #596 totaling \$274,909.21; Construction Fund vouchers #592 through #594 totaling \$1,135.28; and Street Light Fund voucher #596 totaling \$1,582.72.
- 1.3 **Approval of District Payroll Vouchers.**

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

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

## 3.0 **Regular Agenda** – Chairman Steve Pedersen skipped to Agenda Items 3.3 – 3.6, to allow time for the Sonntag's to arrive.

- 3.3\* **Resolution No. 2004-01, A Resolution Establishing Policies, Procedures, and Protocols by the Adoption of a Board Policy Manual.** Alan Fletcher, General Manager, presented Resolution No. 2004-01 for adoption. He explained that the Board has previously identified certain policies, procedures, and protocols and Resolution No. 2004-01 codifies them into a Board Policy Manual. The Manual will act as a guide for the Board of Commissioners and the employees of the District. Commissioner Pedersen stated that the Manual is a public document and that the Board would like to review the Manual annually to make any needed changes. Commissioner Strode made a motion to approve Resolution No. 2004-01 adopting the Board Policy Manual. Commissioner Galpin seconded. **The motion was unanimously approved.**
- 3.4\* **Resolution No. 2004-02, A Resolution Closing PWTF-03 Fund.** The General Manager informed the Board that the District received additional insurance reimbursements for the California Avenue No. 1 and Sedgwick Road Tank repairs that enabled the District to repay the \$250,000 Emergency Loan that was received in 2002.

That final payment has been made leaving the closing of the PWTF-03 Fund to complete the process. Commissioner Galpin made a motion to approve Resolution No. 2004-02, closing the fund titled Public Works Trust Fund – 03. Commissioner Strode seconded. **The motion was unanimously approved.**

- 3.5\* **Resolution No. 2004-03, A Resolution Declaring Surplus Property.** Presented for consideration was Resolution No. 2004-03, that declares certain items as surplus and surplus-scrap. It is proposed that item No. 1, fax machine, be taken to Stokes Auction to be sold (a new fax machine has been purchased). That the items listed in No. 2 (unused and/or inoperable equipment) be scraped or donated as follows: The tank scales that no longer work and will be scraped; the SCBA units and Emergency Response Kit (originally donated to the District) be donated to Fire District No. 7 for their training program. Staff checked with other water providers regarding the equipment and there was no interest. Commissioner Strode made a motion approve Resolution No. 2004-03, declaring surplus property and providing for its sale or disposal. Commissioner Galpin seconded. **The motion was unanimously approved.**
- 3.6\* **Resolution No. 2004-04, A Resolution Writing-off Uncollectible Monies.** The General Manager explained that over time the District has accumulated unclaimed refunds of \$64.03, and unpaid water bills of \$194.25, after staff has taken all avenues of collection as well as attempted to route the refunds to the recipients. In the case of the utility billings, most bills are eventually collected as we have the ability to lien properties or terminate the water service. In these cases, there was no clear path for collections as properties casually changed ownership and/or a title company was not used, resulting in improper notification of affected properties. The General Manger noted that the low write-off amounts are an indication of the effectiveness of District collection processes. Commissioner Galpin made a motion to approve Resolution No. 2004-04, writing off uncollectible utility bills and unclaimed payables. Commissioner Strode seconded. **The motion was unanimously approved.**
- 3.1\* **TABLED ITEM – Request for Reduced Front Footage Assessment – Mr. & Mrs. Sonntag, Grant Street.** Chairman Steve Pedersen restated that he has excused himself from the discussion and action due to a potential conflict of interest. It was explained that in January, the Board “tabled” this item in order to provide Dick and Alison Sonntag time to conclude property negotiations and for staff to research the history of wetland credits. The General Manager described how hookup fees are developed and explained that, by design, each customer pays their fair share of the costs associated with capital improvements. In addition, it was noted that in July of 2000, the Board did make an adjustment for a long strip of property along Beach Drive, although the conditions were not completely analogous. Staff also discovered that the Developer Payback amount was \$1,366 and not \$2,725 as previously reported. The General Manager stated that he was concerned that any reduction in the Front Footage Assessment, without a solid basis, might, if granted, result in disparate treatment between customers. After further consideration, it was proposed that 125 feet of the Sonntag’s front footage be assessed at the standard \$20 per foot charge and the remaining footage at an amount equal to the Developer’s Payback.

Mr. Sonntag reemphasized that wetlands are present which severely restricts allowable building and while understanding of the District's need to collect uniform fees, he continues to seek further reductions. Commissioner Strode stated that he understands the Sonntag's argument; however, the District is unable to exempt the property based on established policy. Commissioner Strode made a motion to assess the Front Footage Assessment for the subject property at \$3,866. Commissioner Galpin seconded. **The motion carried by a vote of two; Commissioner Pedersen previously excused himself from the matter and did not vote.**

3.2\* **FY 2004 CIP Engineering & Design Contract.** Paul Gilligan, Senior Engineer for RH2, and colleague Scott Rogers presented five engineering contracts. Scott discussed the work anticipated in each contract. He explained that the contracts cover three areas: General Engineering Services, design and engineering of Capital Projects, and conducting the EPA-mandated Vulnerability Assessment and update of our Emergency Response Plan. Scott displayed the estimated dollar value of each contract and explained that the budget was based on conservative estimates and the district will only pay actual time and materials. Commissioner Strode made a motion to approve the contracts and to authorize the General Manager to execute contract documents that are in substantial compliance with the drafts. Commissioner Galpin seconded. **The motion was unanimously approved.**

3.7 **Capital Improvement Charges & Frontage Assessments.** The General Manager presented a proposal and scope of work from Financial Consulting Solutions Group, Inc. (FCSG) regarding the analysis of the District's Capital and Front Footage charges. The General Manager stated that utilizing a method based on ERU's would help to make hook up charges uniform for each customer and meter classification. Ed Cebron, FCSG, could attend a meeting next month to discuss the proposal and methodology for establishing connection fees and charges. Commissioner Strode stated that he would like more discussion and understanding of the project prior to moving forward.

### 3.8 **Review of Financials**

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

3.8.2 **Income & Expense Report.** The General Manager presented the Income & Expense Report for the year ending December 31, 2003.

## 4.0 **Miscellaneous**

4.1 **Operations Update.** Dennis O'Connell, Operations Supervisor reported that daily tasks such as pump monitoring, sampling, and locates were completed as usual. Non-pay disconnects for January included both routes, as the District did not perform non-pay shut-offs just before the Christmas Holiday. Staff rebuilt the Well 10 surge valve and an injection valve at Well 7 was repaired. There were four new services installed.

Dennis also explained that each pump house has a chlorine room, but since chlorine gas is no longer used, that the rooms have become storage bins for miscellaneous items. He reported that the rooms have been cleaned, painted, and shelves have been installed to make a more organized area. The gates at the California/Grandview area continue to be damaged by trucks ramming the gates. Staff has tried a number of methods to alleviate the damage to the gates without much success. Kevin at Annapolis Water demonstrated to Staff how their new automated meter-reading device operate.

4.2 **Administrative Update.** Alan Fletcher, General Manager, asked for Board input on the draft newsletter, remarking that mailing is scheduled for the end of the month. Also that House Bill 2384, relating to assumptions, is moving its way through House Rules Committee and encouraged Board members to contact local representatives regarding the bill. Attendance at the Kitsap Regional Coordinating Council was discussed as well as the upcoming Washington Association of Sewer & Water Districts conference and the AWWA Pacific Northwest Section conference in Bellevue. Board members were encouraged to attend at least one of these valuable training opportunities.


5.0 Future Meeting Dates

5.1 March 9, 2004, 6:00 p.m. – Regular Meeting

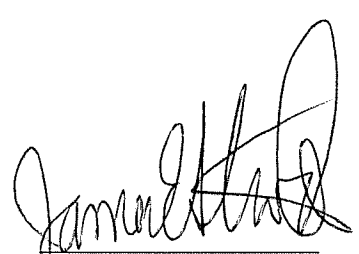
5.2 April 13, 2004, 6:00 p.m. – Regular Meeting

6.0 **Executive Session.** Per RCW 42.30.110(d) – Naval Fuel Depot Contract Negotiations. Commissioner Pedersen convened to Executive Session at 7:58 p.m. to discuss the Contract Services Proposal for the US Naval Fuel Depot in Manchester, Washington. Details of the proposal were discussed. The Board returned from Executive Session at 8:15 p.m. There was no action taken by the Board.

7.0\* **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 8:15 p.m.



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Steve Pedersen,  
Chairman



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James E. Strode,  
Secretary



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Kyle D. Galpin,  
Commissioner