

A MEETING OF THE BOARD OF COMMISSIONERS OF MANCHESTER WATER DISTRICT

September 9, 2003

REGULAR MEETING – 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, Janis Kerr, and Rick Gross, Attorney.

1.0* **Consent Agenda**

- 1.1 **Approval of August 12, 2003, 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 # 341 through #383 totaling \$19,631.67; Capital Fund voucher #390 totaling \$488.00; Construction Fund vouchers #384 through #389 totaling \$3,545.17; Street Light Fund voucher # 391 totaling \$1,813.98.
- 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**

3.1* **Request for Leak Adjustment – RV Associates, Inc.**

The General Manager informed the Board that RV Associates, Inc. (RV) has requested a leak adjustment for its temporary irrigation system that services the storm water retention pond located on Alaska Avenue. RV informed the District that vandals broke into the site and severed above-ground piping for the irrigation system that is being used to establish landscaping at the site. The result was water consumption of 43,557 cubic feet (CF) and a water bill of \$1,266.00. When RV received the bill in August, they requested a re-read of the meter and upon doing so, the District discovered the leak, turned the service off, and immediately contacted RV. The General Manager stated that if leak relief was granted, one example was charging for the full amount of water used at the second-lowest rate tier of \$1.60, which would yield an approximate 43% reduction. After discussion, Commissioner Pedersen and Commissioner Strode thought a 43% reduction was more than they were willing to grant, citing RV's lack of due diligence in managing the above-ground water system and weak payment history. Commissioner Galpin was reluctant to grant any leak adjustment. The Board opted to reduce the charge from \$3.00 per 100-CF (HCF) to the next lowest tier of \$2.40 per HCF for water use over 6,000 CF, yielding an approximate 20% adjustment.

Commissioner Strode moved to adjust the RV water bill by applying the overage to the \$2.40 rate tier as a one-time only leak adjustment to be paid in a timely manner. Commissioner Pedersen seconded the motion. **The motion was approved with two affirmative votes.** Commissioner Galpin was opposed.

3.2* Public Works Board Pre-Construction Loan Application

Alan Fletcher, General Manager, discussed with the Board of Commissioners that the District is striving to gain a low interest rate loan from the Public Works Board. He stated that this loan would be for the same projects as listed on the last loan request but for pre-construction engineering services only. Fletcher stated that the loan application required a statement attesting to the Board of Commissioners authorization of the loan application. Commissioner Strode made a motion that the General Manager submit the loan application for pre-construction engineering services to the Public Works Board. Commissioner Galpin seconded the motion. **The motion was unanimously approved.**

3.3 Engineering Services Request for Qualifications

The General Manager informed the Board that the District received six responses from engineering firms from its Request for Qualifications (RFQ). The RFQs were distributed to the Selection Team and Board members for review and rating. Once the initial screening process is complete, interviews will be arranged with the highest ranking firms. It is the General Manager's desire to create a pool of engineers for future projects.

3.4 Proposed Update of Fees and Charges

The General Manager proposed that an annual review of the District's Schedule of Fees and Charges should take place in order to determine if routine adjustments are needed. He would like the Board to consider modifying the Capital Improvement Assessment charge to apply an Equivalent Residential Unit charge. While this would leave the current charge of \$1,500 in place, it would capture the applicable cost of supplying greater demands to larger size meters. This issue will be discussed along with other policy changes in the upcoming planning Work-Study Session on October 18.

3.5 Update to Addition to Street Light Utility – California Ave E and SE Truman Street

During the August 10, 2003, meeting Resolution No. 2003-11 was approved adding territory to the street lighting system. It was noted that the 30-day remonstrance period allowed by statute expires on September 11, and if no opposition is received the addition to the street light utility is ordered. The General Manager added that no opposition has been received to-date and if none is received in the 30-day window staff will contact Puget Sound Energy for placement of the street light.

3.6 REVIEW OF FINANCIALS

3.6.1 Water Sales Data – Dennis O'Connell, Foreman reported that the District pumped a record amount of water for this billing cycle. He stated that we produced approximately twenty percent more this year than August of last year.

Staff is continuing to monitor the aquifers and thus far only Wells 1 and 2 have shown a slight decrease in water level, with the balance of wells showing no unusual drawdown.

- 3.6.2 **Income and Expense Report** – The General Manager stated that the net operating income is ahead of what was projected and that the expenditures are on tract with budget estimates. He stated that the District may have one more billing cycle that could reflect summer water sales, which would help the District's overall financial status.

4.0 **Miscellaneous**

4.1 **Operations and Capital Projects Update**

Dennis O'Connell, Foreman, reported that daily operations have been routine. Also, that the sodium hypochlorite process is continuing to work flawlessly. Customer service calls have increased due to questions regarding high water consumption and it reported that a leak on Colchester Drive had flooded a customer's basement. The leak was repaired quickly and staff is working with the insurance company to reimburse the customer for damages. 265-feet of water main was installed on Arvick Road and 255-feet of main was installed on Nevada Avenue. Both extensions are complete and in service. Dennis informed the Board that Washington State Department of Health conducted a sanitary survey on the District's pump stations and well sites. He received a verbal confirmation that all systems appeared adequate with the exception of the two artesian wells. The representative stated that the artesian wells could be influenced by ground water and therefore may require chlorination and/or filtration. The health department will report back via a written report on the findings. Staff disposed of 26 truck tires and rims that were illegally dumped behind Banner Tank. In an effort to prevent this from happening in the future, staff installed a gate and fence at the entrance to the tank site and since that time there has not been any evidence of trespassers. Also, the District had representatives staffing this year's Kitsap County WaterPak fair booth and in the month of August three new services were installed bringing the year-to-date service installation number up to 28.

- 4.2 **Administration Update** – The General Manager informed the Board that the County Mitigation Plan has been tabled until the first part of 2004. The billing format and pricing is still in discussion with Springbrook Software Company. At the end of the month the General Manager and the Field Crew Foreman will attend, on different days, the America Water Works Association Water Distribution & Systems Symposium which will be held in Portland, OR. In addition, that Staff has been experiencing problems with the computer server and has been advised by the District's IT professional that due to its age and outdated configuration, the District should consider purchasing a new server. It was noted that there are adequate funds in this year's budget for the purchase. Commissioners agreed with the assessment and asked staff to make the purchase as soon as possible.

5.0* **Set Future Meeting Dates**

The Board of Commissioners set the following meeting dates:

5.1 October 14, 2003, 6:00 p.m. – Regular Meeting

5.2 October 18, 2003, 9:00 a.m. to 4:00 p.m. Special Meeting to conduct a Future Planning/Goal Setting work session. To be held at McCormick Woods.


5.3 November 18, 2003, 6:00 p.m. – Reschedule of the Regular Meeting due to Veterans' Day Holiday

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 7:43 p.m.



Steve Pedersen,
Chairman



James E. Strode,
Secretary



Kyle D. Galpin,
Commissioner