

A MEETING OF THE BOARD OF COMMISSIONERS OF MANCHESTER WATER DISTRICT

October 14, 2003

REGULAR MEETING – 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 Ron Hutchinson of Hutch-Con Construction, Inc.

1.0* **Consent Agenda**

1.1 **Approval of September 9, 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 #392 through #442 totaling \$58,903.85; Capital Fund voucher #447 totaling \$4,882.50; Construction Fund vouchers #443 through #446 totaling \$1,258.63; Street Light Fund voucher #448 totaling \$1,585.98.

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* **Developer Installed Pipeline Credits & Approval of Bill of Sale – Hutch-Con, Construction, Inc.**

The General Manager presented a proposal created by Ron Hutchinson, Hutch-Con Construction, Inc., (Hutch-Con) and staff as to how developer installed pipeline credits might be applied to meter installations on Arvick Road. Hutch-Con installed 265 feet of 8-inch ductile iron pipe on Arvick Road at a cost of approximately \$8,805 to serve three tax lots. Proposed is applying the credits due the developer for pipeline improvements to two water meter installations instead of the three meters installed. Applying the credits to two meters would be in lieu of any future paybacks on a third meter. Doing so would allow the developer to recapture his investment sooner than entering into and waiting for repayment through a Developer Payback Agreement. Referring to the enclosed worksheets, Method-1 is the established approach for determining Developer credits for the subject project and Method-2 is a modified approach. After Board discussion, the Board identified the following benefits if Method-2 was utilized:

- Ownership of the 265-feet of 8-inch ductile iron pipeline.
- The ability to extend the pipeline to serve other customers.
- The ability for intervening properties to connect to the line without developer reimbursements.
- No District expenses associated with the pipe and meter installations.

- The proposed credits do not exceed the actual cost of the pipe installation.

Commissioner Strode made a motion to grant the credits as outlined in Method-2 and for approval for the Bill of Sale for Developer Water Extension. Commissioner Galpin seconded the motion. **The motion was unanimously approved.**

3.2 **State Department of Health – Sanitary Survey**

The General Manager reported that the Department of Health (DOH) conducted their periodic sanitary survey of the District's water systems. DOH reported back that the District's water system facilities are in compliance with drinking water regulations. Dennis pointed out there was the comment in the report that noted that Well 1, 2, and 3 were free-flowing artesian wells and that Department of Ecology (DOE) regulations prohibits the use of free-flowing artesian wells. Staff indicated they would be following up with DOE regarding the artesian wells. The survey also recommended enhanced process controls for chemical feed devices and installation of back-up power.

3.3 **Engineering Services Request for Qualifications**

The General Manager informed the Board that interviews with four engineering firms are scheduled for Wednesday, October 15. Given a successful round of interviews, the selection team will make recommendations at the November regular meeting.

3.4 **Planning Session Meeting**

The General Manager informed the Board that the workshop will be held at the District office instead of McCormick Woods due to an overbooking by their catering staff. He distributed Planning Session Handouts for the Board's review prior to the session. The meeting will consist of goal setting, draft policies, capital improvements, and preliminary projections for the annual budget. The meeting is open to the public.

3.5 **Review of Financials**

3.5.1 **Water Sales Data** – The General Manager noted that water sales for the month of September continued to be higher than normal and estimated that the next billing cycle would return to more normal usage. At this time, the District expects that revenue projections for the fiscal year will be exceeded.

3.5.2 **Income and Expense Report** – The General Manager stated that the depreciation amount appearing on the Statement of Income and Expenses has been revised to reflect changes in our capitalization policy.

4.0 **Miscellaneous**

4.1 **Operations and Capital Projects Update** - Dennis O'Connell, Foreman, reported that the routine bacteriological samples for the month of September were satisfactory. The crew repaired some minor main and service line leaks. An additional five services were installed, bringing the year to date total to 33 new services. Dennis and Alan attended the American Water Works Association Seminar which was held in Portland, Oregon.

Also that Applied Digital Mapping has installed the software for the new mapping system. The crew has been grading California Avenue Tank site so that the vehicles have the ability to drive all the way around the tanks. Also most of the hard to mow areas have been leveled off and what could not be lowered will be planted with some sort of ground cover this coming spring. Gary Schumacher has completed his 6-month orientation period and qualifies to become a regular employee of the District. In the month of October, a water sample taken from the Banner Tank and South Colby Elementary School was returned unsatisfactory. The field operations crews immediately took action and chlorinated the system and flushed the water mains. A second set of samples have been submitted. A public notice will have to be printed in the local newspaper stating what actions were taken to correct the situation. Dennis stated that the tank previously has had an unsatisfactory sample and that he would like to take the tank off-line for a thorough interior cleaning. Commissioner Strode thought that was a good idea. In closing, Dennis informed the Commissioners that the crew was attempting to install a new service when a customer that resided nearby became very agitated and hostile towards the crew. They immediately removed themselves and the service vehicles from the vicinity, called the sheriff, and the job was rescheduled for a later date.

- 4.2 **Administration Update** – The General Manager informed the Board that the new computer server is in on line; that the annual bill for the property and liability insurance is about \$3,500 less than last year due to our experience rating and favorable underwriting; and the Public Works Trust Fund is forthcoming with a preconstruction loan. Discussed was the annual District Holiday luncheon and Wednesday, December 17, was suggested for the event, the date will be firmed up at the November meeting.

5.0* **Set Future Meeting Dates**

The Board of Commissioners set the following meeting dates:

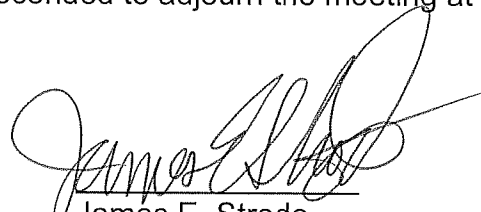
- 5.1 October 18, 2003, 9:00 a.m. to 4:00 p.m. Special Meeting to conduct a Future Planning/Goal Setting work session. To be held at the District Office instead of McCormick Woods due to a scheduling error
- 5.2 November 18, 2003, 6:00 p.m. – Reschedule of the Regular Meeting due to Veterans' Day Holiday
- 5.3 December 9, 2003, 6:00 p.m. – Regular Meeting

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 7:29 p.m.



Steve Pedersen,
Chairman



James E. Strode,
Secretary



Kyle D. Galpin,
Commissioner