

A SPECIAL "WORK-STUDY" MEETING OF THE BOARD OF COMMISSIONERS OF MANCHESTER WATER DISTRICT

October 18, 2003

SPECIAL "WORK-STUDY" MEETING – A work-study meeting of the Board of Commissioners was called to order at 9:00 a.m. by Chairman Steve Pedersen. Present were Chairman Steve Pedersen, Secretary Jim Strode, and Commissioner Kyle Galpin. Staff present included Alan Fletcher, General Manager, and Dennis O'Connell, Operations Supervisor. The Special Meeting was held at the District office and duly noted.

The purpose of the work-study meeting was for the Board of Commissioners to work with staff in the development of plans, strategies, and priorities for District activities over the next 3-5 years and to identify priority projects for FY 2004 budgeting. The Board and staff discussed various activities including development of a Salary Administration Plan, proposed Board policy changes, FY 2004 budget projections and goals.

The General Manager presented information to the Board regarding the development of its Salary Administration Plan. Areas discussed included salary survey, job classifications, and draft performance management tool. The Board supported continuing with the analysis and reporting back when these elements are fully developed.

Proposed policy changes were discussed along with establishing a broad set of Board Policies. These would be policies and protocols for Board members such as roles and responsibilities, Board organization, compensation, public disclosure and open meetings, conflicts of interest, interactions with staff, and general meeting organization.

Staff also discussed updating the District's Schedule of Fees and Charges and performing analysis on how capital and front footage charges are determined. Proposed was the hiring of an economist who has demonstrative success in performing such work for other local agencies. In addition, staff proposed adoption of an updated leak adjustment policy that combines previously adopted policies and practices into one formal policy. The proposed leak adjustment policy would need to be adopted by resolution. The Board reviewed and commented on the proposed elements of a revised policy and requested that staff craft a resolution that embodies the discussion and bring it before the Board at a future meeting for adoption.

Staff presented budget projections for FY 2004, including proposed revenue and expenditure projections, including Capital Outlay and Capital Improvements Plan. During the discussion the Board weighed the value of certain programs and capital outlays. The Board requested staff develop cost-benefit data on outsourcing landscaping and grounds maintenance versus performing these services in-house and to seek alternatives to purchasing a vehicle for general administrative use. The Board identified several initiatives for its FY 2004 budget. A non-prioritized listing of those initiatives follows:

1. Holding tight on rates for FY 2004, while examining needs for FY 2005.
2. Look to alternative methods of competing work. Example: it may be more cost effective to contract out facilities and grounds maintenance versus doing those activities with staff.

3. Maintain an "internal" focus in FY 2004 by completing and implementing a Salary Administration Program.
4. Providing industry-specific Board training opportunities.
5. Moving toward an Equivalent Residential Unit basis for connection fees, thereby providing greater customer equity.
6. Revising, updating, and adopting conflicting or outdated policies.
7. Determine status of surplus property, e.g., Harper Hill land and old or unused equipment.

The Board identified what accomplishments have been made within the last year, including but not limited to:

General Administration

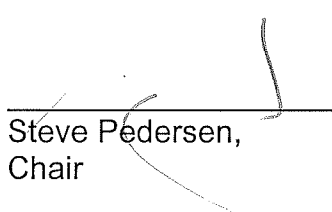
1. Completion of the California No. 1 & Sedgwick Road Tank seismic retro fit and repairs.
2. Creation of a new District logo.
3. Replacement of deteriorating District equipment.
4. Development of a Board Policy manual (Currently in Draft).
5. Upgrading computer workstation and server hardware.
6. Development of a Salary Administration Program (In Progress).
7. Development of multi-year Capital Improvement Plan.

Operations

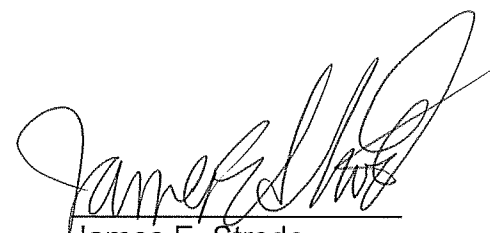
1. Installed 33 new services.
2. 10 mainline leak repairs.
3. Complete main extension on Nevada Street, Arvick, and Woods Roads.
4. Install more reliable chlorination system for taste and odor control.
5. Made improvements to Bulman and Banner Road sites.
6. Install new mapping program and overlays.
7. Operate system without service outages during prolonged dry period with record water sales.
8. Continued clean up of facilities.

No action was taken by the Board during the Special "Work-Study" Meeting. The Board acknowledged that the projects, items, and issues discussed during the Work-Study session would be brought back to the Board for further consideration, public input, and any formal action.

There being no further business to discuss, the meeting adjourned 3:04 p.m.



Steve Pedersen,
Chair



James E. Strode,
Secretary



Kyle D. Galpin,
Commissioner