

# THE REGULAR MEETING OF THE BOARD OF THE COMMISSIONERS OF MANCHESTER WATER DISTRICT

July 10, 2007

## REGULAR MEETING

Chairman Kyle Galpin called the regular meeting of the Manchester Water District Board of Commissioners to order at 5:35 p.m. Present were Chairman Kyle Galpin, Commissioner James Strode, and Commissioner Steve Pedersen. Staff present included Alan Fletcher, General Manager, Jamie Hatton and Rick Gross, Attorney.

### 1.0\* **Consent Agenda**

1.1 **Approval of June 12, 2007, 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 298-334, totaling \$14,370.30; Capital Fund voucher 337-338, totaling \$9,773.01; Construction Fund voucher 335, totaling \$300; and Street Light Fund voucher 336, totaling \$1,697.14.

1.3 **Approval of District Payroll Vouchers.**

Commissioner Strode moved to approve the Consent Agenda. Commissioner Pedersen seconded. **The motion was unanimously approved.**

2.0 **Public Comment.** There was no public comment.

### 3.0 **Regular Agenda**

3.1\* **Request for Relief of Meter Connection Fee.** Staff presented a request from CBA Development to honor connection fees prior to the May 1, 2007 change. Staff noted that CBA did not have an application in process; however, they did call in to check pricing in March or April and were given the then current pricing. CBA was not included in our database of developers that received direct mail notification of the fee increase. The District sent letters to builders who have purchased meters in the past, inserted bill messages, and published ads in the newspaper on two occasions. The District exceeded requirement for notification of its connection charges. Commissioner Strode felt that the pricing of the meter application should reflect current pricing, as CBA did not have an application in process at the time and that the Water Service Estimate states that prices are subject to change and builders are to verify costs prior to application and purchase. Commissioner Galpin agreed with Commissioner Strode that although it is unfortunate he was not on our direct-mail notification list the District did post the price increase in the local papers. Commissioner Pedersen disagreed and moved to honor the old pricing for this one transaction. Commissioner Strode seconded the motion. Commissioner Pedersen voted in favor of the motion and Commissioners Strode and Galpin voted no. **The motion was defeated and price relief denied.**

- 3.2\* **Request for Credit of ILOA Payment.** Staff presented a claim from Mr. Richard Cooper, 3357 Anderson Road, for a \$500 credit against a previously paid assessment. Mr. Cooper was assessed a pro rata share of the cost of a main extension on Anderson Road in 1994 and claims he was never credited the \$500 payment he made in 1978. In 1994, the District was unable to locate any ILOA agreement and stated that if Mr. Cooper had documentation showing otherwise it would honor the credit. Mr. Cooper recently provided a copy of a 1978, "Agreement for Support of Annexation and Local Improvement Districts" and the District researched the claim. Staff noted that prior to the pipe extension, the property was served on a provisional basis, subject to the terms of the 1978 Agreement. After review, the Board determined that the 1978 Agreement states in paragraph 4 – *"Should a Utilities Local Improvement District for a water improvement line, water mains or water service be initiated affecting the said described real property or any portion thereof, owners or purchasers agree to endorse any petition therefore, not to contest the formation of the said Utilities Local Improvement District and to pay their share of the costs thereof ultimately and lawfully assessed by the Board of Commissioners of the Manchester Water District."* The 1978 Agreement does not state that monies previously paid will be credited toward the assessment. The Board noted that payment of the 1994 assessment fulfills the contractual obligation of paying a pro rata share of the pipeline extension costs. In addition, that in 1995, Mr. Cooper referred to documentation supporting his belief that he did not owe any assessment and that at present, 12-years later, he contends credit should have been applied for the monies paid in 1978. The Board noted that the 1978 Agreement was not an In-Lieu-Of-Assessment agreement and does not state that monies previously paid will be credited toward a future assessment. Commissioner Strode moved to deny the request for a credit of \$500 toward the 1994 assessment. Commissioner Galpin seconded. **The motion denying the claim was unanimously approved.**

Observing that Mr. Cooper was not in attendance, the Board invited him to appear at a future meeting to provide additional information that may bolster the claim. It would revisit the claim at that time.

- 3.3\* **Retail Service Area Boundary Adjustment.** Staff presented an adjustment to the Retail Service Area Boundary in the Nevada Street, Beaver Creek Road area. This area is directly adjacent to the recently installed Nevada Street Extension and is needed to serve additional lots by the developer. The property is currently in the Annapolis Water District retail service area and a request was submitted for their consideration. Staff has subsequently received notification that Annapolis Water District has no opposition to the boundary change. Commissioner Strode moved to adjust the District's Retail Service Area to include 1-block north from Ohio Street to Main Street, Blocks 4581-008 & 4581-009, South ½ Section 16-24-2E. Commissioner Pedersen seconded. **The motion was unanimously approved.**
- 3.4\* **Nevada Street Developer Reimbursement, FPB Construction, Inc.** Staff presented a Developer Reimbursement Agreement for the Nevada Street Extension. FPB Construction, Inc. submitted detailed documentation on the project's costs, staff has audited the time and material costs for applicability. The pipe costs came in at \$56-foot, with an ending payback assessment of \$753 per ERU.

Staff noted that Developer served lots and District cost share for the main between Dakota & Washington Streets was deducted from the developer's reimbursement. The Developer is reviewing the document and staff stated minor, non-substantive, changes may occur. It is further noted that the water main improvements are classified as a transmission main and not a local facility. Therefore, the \$753 per ERU assessment would be in addition to the standard meter connection fees, which include meter installation, General and Local Facilities Charges. Commissioner Pedersen moved to approve the Reimbursement Agreement for Developer Water Extension between FPB Construction, Inc. and the District that is in substantial compliance with the draft. Commissioner Strode seconded. **The motion was unanimously approved.**

3.5 **Developer Extensions.** Staff reviewed developer extensions including Oregon Street Extension - Lodwig Homes installed 600-feet of 8" pipe, the pipeline is not in service pending bacteriological and pressure testing. Puget Highlands - Caseco has rough-cut road and continues site preparation. Anchors at Manchester - Demolition of existing buildings and site preparation to begin the week of July 16; final water system improvement plan review and approval still pending. Manchester Heights (Nevada Ave.) - FPB Construction has begun site preparation and road construction on lateral streets off Nevada. Number of homes and street configuration is still being finalized.

3.6 **Capital Improvement Projects Update.** SCADA System equipment is nearly complete. Still waiting on parts for the backup generator transfer-switch receptacles. Staff training to begin Thursday.

### 3.7 **Review of Financials**

3.7.1 **Water Sales Data.** Staff reviewed water sales for year through June 30, noting that June sales track with previous years and total sales for the year are slightly higher. As in the past, the summer season will be defining as to overall sales.

3.7.2 **Income & Expense Report.** Staff reviewed the audited financials for FY 2006 and Jan-07 Income & Expense Report. Staff provided a presentation of the highlights of the District's Annual Report. The Annual Report was submitted to the State Auditor's Office on June 28, 2007.

## 4.0 **Miscellaneous**

4.1 **Operations Update.** June water quality samples were all satisfactory. Staff installed six (6) new services during this reporting period. Rohwein Electric has nearly completed installation of emergency generator switchgear at the Garfield and Sedgwick pump stations. Staff replaced 20-feet of 4" mild steel pipe on John Street with Class 52 ductile iron pipe. As reported in April when staff replaced 40 feet, this section was found to have multiple leaks when exposed. The fire hydrant at California and Polk Avenue had to be replaced after being struck by a vehicle. The District will invoice the driver based on information from the Sheriff's report. Staff also repaired a main leak in front of 8409 Southworth Drive. The District produced 22,475,526 gallons in June and installed 27 new services year-to-date.

4.2 **Administration Updates.** No additional information was presented.

4.3 **Board of Commissioners.** Commissioner Pedersen may not be present for the August meeting he will be contacting the General Manager with his plan.

5.0\* **Future Meeting Dates:**


5.1 August 14, 2007, 5:30 p.m. – Regular Meeting


5.2 TBA – Board Facility Tour

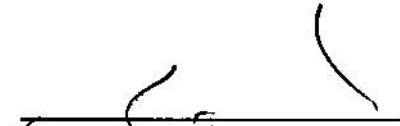
5.3 September 11, 2007, 5:30 p.m. – Regular Meeting

6.0 **EXECUTIVE SESSION** – Chairman Galpin convened an Executive Session at 6:43 p.m. per RCW 42.30.110(1)(b). He estimated an approximate 30-minute session. Present were Chairman Galpin, Commissioners Jim Strode and Steve Pedersen. Staff included Alan Fletcher, General Manager, Jamie Hatton and Rick Gross Attorney. The purpose of the Executive Session was to discuss potential real property transactions. There was no action taken by the Board during the Executive Session. The Board adjourned the Executive Session at 7:15 p.m. and reopened the Regular Meeting.

7.0\* **Adjournment.** There being no further business to come before the Board, the Commissioners adjourned the meeting at 7:20 p.m.

  
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Kyle D. Galpin,  
Chairman

  
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James E. Strode,  
Secretary

  
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Steve Pedersen,  
Commissioner