

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

September 8, 2008

REGULAR MEETING

Board Chair Kyle Galpin called the regular meeting of the Manchester Water District Board of Commissioners to order at 5:30 p.m. Present were Commissioners Kyle Galpin, James Strode, and Steve Pedersen. Present were Alan Fletcher, General Manager, Dennis O'Connell, Operations Manager, Jamie Hatton, and Rick Gross, Attorney. Also in attendance was Paul Gilligan, RH2 Engineering.

1.0* **Consent Agenda**

1.1 **Approval of August 12, 2008, Regular Meeting Minutes.**

1.3 **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 367-383, 385-408 totaling \$34,634.59; Capital Fund vouchers 365, 366, 384, totaling \$14,025.32.

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.**

3.0 **Regular Agenda**

3.1* **Public Service Announcement (PSA) – Yukon Harbor Historical Society.** Staff presented a proposed PSA to be included in a future billing for The Yukon Harbor Historical Society who is soliciting help in their effort to document the history of the communities of Manchester, Colby, South Colby, Harper, Southworth, and surrounding regions. Commissioner Pedersen moved to approve the PSA for the Yukon Harbor Historical Society. Commissioner Strode seconded. **The motion was unanimously approved.**

3.2* **Developer Reimbursement Agreement – HDC Manchester, LLC (Blackstone).** Staff presented a Developer Extension Reimbursement Agreement for the Blackstone (a.k.a. Puget Highlands) subdivision off Puget Drive. They explained that as in the past, the agreement uses a per connection (ERU) calculation versus the traditional "front-footage" charge. The ultimate build-out of the area is detailed in the agreement and consists solely of the Blackstone subdivision. There are 17-lots, one owned by the Developer, and each lot will be assessed \$3,529. Rick Gross, Attorney, has reviewed the agreement. Commissioner Pedersen moved to approve the Reimbursement Agreement for Developer Water Extension, between HDC Manchester, LLC and Manchester Water District for the Blackstone Development; and to authorize the General Manager to execute the agreement. Commissioner Strode seconded. **The motion was unanimously approved.**

3.3* **Approval of PWTF Pre-Construction Loan Agreement.** Staff presented Public Works Trust Fund (PWTF) Pre-Construction Loan Agreement No. PR08-951-098. The loan's scope of work consists of the design, engineering, and permitting of a new 200,000-gallon Banner Road Tank and 5,000 feet of 12-inch Transmission Pipeline. The net loan amount totals \$152,664, with the District matching 5% (\$8,034). The loan term is for 5-years at an interest rate of 2%. The loan balance can be wrapped into a future PWTF 20-year construction loan or as a stand-alone if the project is not immediately built. Staff explained how to accomplish the work while balancing the District's financial position, including engineering selection.

Commissioner Strode moved to approve the PWTF Pre-Construction Loan Agreement No. PR-08-951-098. and to authorize the General Manager to execute the agreement. Commissioner Pedersen seconded. **The motion was unanimously approved.**

- 3.4* **Resolution No. 2008-07, Schedule of Fees & Charges.** Staff presented a 'housekeeping' resolution that clarifies the charges for shut-off & restoration services when a meter is turned off for non-payment. The prior resolution was not as specific in its language and there was customer confusion as to when charges are applied, to help keep liens more up to date, and to avoid charging new customers for service restoration. The language has been changed to read, "Shut Off & Restore Service Charge (Applied at Shut-Off) \$50.00". The service fee is unchanged. Commissioner Pedersen moved to approve the Resolution No. 2008-07, Schedule of Fees & Charges. Commissioner Strode seconded. **The motion was unanimously approved.**
- 3.5 **Elected Officials PERS Credit.** On behalf of Commissioner Pedersen, staff researched the potential of gaining service credit and 'wages' paid by the District for PERS retirement benefits. The District is a PERS employer, including commissioner wages (meeting fees) is possible, and the benefit is offered by West Sound Utility District for their elected officials. Considerations of adding this benefit include the District being required to pay its share of any retirement, currently pegged at 8.31%, and there are two commissioners who are currently PERS members. The Board discussed the pros, cons, and cost implications of membership. Staff was directed to gather additional information on PERS and eligibility for Deferred Compensation accounts. The matter will be further explored at the October planning session.
- 3.6 **Facilities Site Planning.** Discussed last meeting was the potential for leasing office space at the Manchester Commons retail center as a way to ease the lack of space at the District's current site. Staff noted that a temporary move could allow time to remodel the current facilities, provide ADA compliance, and reduce the 30-50 vehicle trips per day in the residential area. The Board directed staff to report back on the cost implications of a move, including, lease amount, improvements, furnishings, and data/communications plan.
- 3.7 **Developer Extension & Capital Improvement Projects Update.** Staff discussed current projects and the slow pace of building due to the troubled economy.
- 3.8 **Port of Manchester Update.** Staff reported the Port was billed \$660, for accounting and administrative duties from July - to date.
- 3.9 **Review of Financials**
- 3.9.1 **Water Sales Data.** Staff presented the metered water sales data through August 31, 2008.
- 3.9.2 **Income & Expense Report.** The Board reviewed the July financial reports.
- 4.0 **Miscellaneous**
- 4.1 **Operations Updates.** Staff reported that August water quality samples were all satisfactory; one new service installed and two repaired. Staff repaired two main leaks, one on Mile Hill Drive west of Woods Road, and another on Yukon Harbor Drive south of Cole Loop. The leak on Mile Hill Drive was located in a section of main that is approximately 14 feet deep. In order to access the pipe and repair the leak safely, contract services of an excavator and shoring trench box were required. Mutual aid from West Sound Utility District and the City of Port Orchard vacuum trucks were also required and staff is grateful for their assistance. The leak on Yukon Harbor Drive was located in an area where we had made several previous repairs.

Staff replaced nearly 20 feet of old coated steel pipe with new ductile iron in an effort to eliminate callbacks and interruptions in service. The selection process for filling the recently vacated Service Technician position is nearly complete and we hope to have the position filled by next reporting period. The District produced 25,191,700 gallons in August, and staff has installed 15 new services year-to-date.

4.2 **Administration Update.** Staff discussed the recent legal notice for the water right transfer, landlord tenant billings, disposing of surplus equipment, a letter from Elaine Smith and the District response. Alan Fletcher notified the Board he would be attending training in Seattle later in the week regarding new EPA drinking water requirements.

4.3 **Board of Commissioners.** No additional comments.

5.0* **Future Meeting Dates**


5.1 October 14, 2008, 5:30 p.m. – Regular Meeting

5.2 TBA – Annual Planning Session

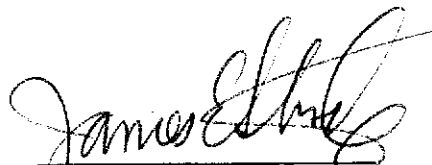
5.3 The Board will consider rescheduling the November 11, 2008, Regular Meeting at the October meeting.

EXECUTIVE SESSION – Chairman Galpin convened an Executive Session at 7:30 p.m. per RCW 42.30.110(1)(g). He estimated an approximate 30-minute session. Present were Chairman Galpin, Commissioners Jim Strode and Steve Pedersen. Staff included Alan Fletcher and Dennis O’Connell. The purpose of the Executive Session was to discuss an employee performance matter. There was no action taken by the Board during the Executive Session. The Board adjourned the Executive Session at 7:55 p.m. and reopened the Regular Meeting.


6.0* **Adjournment.** There being no further business to come before the Board, the Commissioners adjourned the meeting at 7:55 p.m. Commissioner Strode made a motion to adjourn the meeting Commissioner Pedersen seconded the motion.



Kyle D. Galpin,
Chairman



James E. Strode,
Secretary



Steve Pedersen,
Commissioner