

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

December 9, 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. Commissioners present were Kyle Galpin, James Strode, and Steve Pedersen. Present were Alan Fletcher, General Manager, Dennis O'Connell, Operations Manager, Kristin Bilodeau and Rick Gross, Attorney. Public in attendance were Joe and Margaret Guariz.

1.0* Consent Agenda

- 1.1 **Approval of November 12 2008, 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 506-551, 553-566, totaling \$23,929.44; Capital Fund voucher 505, totaling \$1,693.25; Street Light Fund vouchers 504, 552, totaling \$3,591.79.
- 1.3 **Approval of District Payroll Vouchers.**

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

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

3.0 Regular Agenda

- 3.1* **Resolution No. 2008-09, A Resolution Modifying the Water Rate Schedule and Increasing the Base and Commodity Rates for Domestic Water Supply.** Staff presented information regarding a proposed rate increase, noting that over the last few meetings there has been discussion on the District's Capital Improvement Program, operations and maintenance costs, and the need for increased revenues. Staff displayed rate projections and usage scenarios for an approximate 7% increase in water rates. The increase would be about \$2.00 per month for a typical customer using 1,000 cubic feet of water. Staff explained that notices of the proposed rate change were provided to all customers in water bills as well as both local newspapers. The adjustment is effective with January 2009 usage and customers will again receive notices in their water bills. The proposed rates for Two-Month Billing Cycle are:

<u>Rate Tier</u>	<u>Usage 100-CF = 748 Gallons</u>	<u>In District</u>	<u>Out of District</u>
Base Rate	0	27.50	29.50
Lifeline	0 – 800	1.51 HCF	1.51 HCF
Tier 1	801 – 3,000	1.91 HCF	1.91 HCF
Tier 2	3,001 – 6,000	2.71 HCF	2.71 HCF
Tier 3	6,001 – Above	3.31 HCF	3.31 HCF

The Board received comment from Mr. and Mrs. Guariz, who complemented the District on their work and for the improvements made in the water system. They supported the increase, feeling it necessary to support operations.

The Board discussed the increase, recognizing current economic conditions, and expressed concern with increasing rates in a down economy. In addition, that while an increase is not desirable, additional funding is needed to improve the system and to keep it viable. Commissioner Pedersen moved to approve Resolution No. 2008-09, a resolution of the Board of Commissioners of Manchester Water District modifying the water rate schedule and increasing the base and commodity rates for domestic water supply. Commissioner Strode seconded. **The motion was unanimously approved.**

3.2 **FY 2009 Budget Presentation.** Staff presented the FY 2009 Budget Message and key elements of the proposed Budget. The Budget Message commented on past and future activities, listing Board goals and operational highlights. Staff reviewed the Budget document, including relevant tables and descriptions of the budget expenditures. Displayed were the various programs and projects the District will be investing in this fiscal year. The Budget numbers were modified to reflect the comments made at the October & November Regular Meetings as well as the annual Planning Session. Staff noted that overall, the budget is down 20%, cuts have been made in capital projects, and one position eliminated. The Board will be monitoring the District's financial position throughout the year and will make adjustments as needed. The Budget document is available for public view. After adoption and/or any modifications, a formal bound document will be assembled for public distribution. Staff responded to various questions and Commissioner Galpin asked if the Board and public were comfortable moving forward. Board members noted that the Budget has been thoroughly vetted and were ready to move forward with adoption.

3.3* **Resolution No 2008-10, A Resolution Adopting the Budget and Making Appropriations for Fiscal Year 2009.** Staff presented Resolution No. 2008-10 that adopts the FY 2009 Annual Budget and appropriates monies to major categories. Staff explained that the amounts noted in the Resolution are the total dollars that are being proposed and are estimates. Adequate room has been left in the budget for flexibility by design, as it is not untypical for individual budget programs to vary during the course of the budget year. This type of variation is why the budget is proposed in major categories. Once the budget is adopted, staff's goal and challenge for FY 2009 is to meet the entire needs of the District within the budgeted amounts and to, if possible, spend less money than budgeted.

<u>General Fund Category</u>	<u>FY-08</u>	<u>FY-09</u>	<u>% Change</u>
Personal Services	\$ 667,000	\$ 642,000	-3.7%
Operations & Maintenance Expenses	260,000	261,000	0.4%
Capital Outlay	44,000	56,000	27.32%
Capital Improvement Plan	871,000	328,000	-62.3%
Excise Taxes	52,000	66,000	26.9%
Debt Service	193,000	158,000	-18.1%
Operating Contingency	100,000	100,000	0.0%
Unappropriated Fund Balance	<u>316,000</u>	<u>400,000</u>	<u>26.6%</u>
	\$2,503,000	\$2,011,000	-15.6%

Commissioner Pedersen moved to approve Resolution No. 2008-10 that adopts the budget and makes appropriations for FY 2009. Commissioner Strode seconded. **The motion was unanimously approved.**

3.4 **Port of Manchester Update.** Staff reported on the maintenance work performed last month and that the Port was billed \$435 for administration, inspection, dock repairs, and debris removal.

3.5 **Developer Extension.** There was no developer activity in November.

3.6 **Review of Financials**

3.6.1 **Water Sales Data.** The monthly water usage report through November 30, 2008 was reviewed.

3.6.2 **Income & Expense Report.** The Income & Expense and O & M composite for the month of October 2008 were reviewed.

4.0 **Miscellaneous**

4.1 **Operations & Capital Projects Updates – Operations Updates.** November water quality samples were all satisfactory. Staff is continuing pumping facility maintenance and improvements District-wide, as well as valve maintenance and dead-end flushing programs. In November, one new service was installed, with a total of 19 new services year-to-date. The District produced 14,150,500 gallons in November, representing an approximate 3% decrease over this reporting period in 2007.

4.2 **Administration Updates.** The General Manager discussed the Request for Proposal process for the design and engineering of the Banner Road Tank and Transmission Pipeline. Commissioner Strode volunteered to be the Board representative during the review.

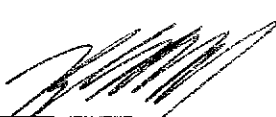
4.3 **Board of Commissioner Comments.** Commissioner Pedersen reported that Department of Community, Trade & Economic Development has a grant notification website. Also, what procedures need to be in place for District personnel to collect cash donations from the Port's drop-box. Staff explained that procedures need to be written and that the Port's and District's insurance have crime coverage.

5.0* **Set Future Meeting Date.** The Board approved the scheduled meeting dates.


5.1 January 13, 2009, 5:30 p.m. – Regular Meeting

5.2 February 10, 2009, 5:30 p.m. – Regular Meeting

6.0* **Adjournment.** There being no further business to come before the Board, the Commissioners adjourned the meeting at 6:55 p.m. Commissioner Strode made a motion to adjourn the meeting Commissioner Pedersen seconded the motion. **The motion carried.**



Kyle D. Galpin,
Chairman



James E. Strode,
Secretary



Steve Pedersen,
Commissioner