

# A SPECIAL PLANNING-SESSION MEETING OF THE BOARD OF COMMISSIONERS OF MANCHESTER WATER DISTRICT

November 1, 2008

**SPECIAL PLANNING-SESSION MEETING** - Chairman Kyle Galpin called the Special Planning-Session Meeting of the Board of Commissioners to order at 9:10 a.m. Present were Chairman Galpin, Secretary Jim Strode, and Commissioner Steve Pedersen. Staff present included Alan Fletcher, General Manager, and Dennis O'Connell, Operations Manager. The Special Meeting was held at the District office.

The purpose of the special study meeting was for the Board of Commissioners to work with staff in the development of plans, strategies, and priorities for District activities over time and to identify projects and initiatives for Fiscal Year 2009 (FY-09) budget year. The Board reviewed its decision making model, identifying basic criteria for arriving at good solutions, including, maintain a good appearance in facilities and vehicles, managing public perception (ensuring that the public agrees with our direction), questioning our assumptions, and avoiding "group-think".

The Board and staff discussed various activities including a review of 2007-2008 goals and lessons learned, emerging trends, staffing, growth management, and FY-09 budget projections and goals. Further discussion ensued on industry and local trends, as follows:

## 2007-2008 Accomplishments

### *Budget Goals*

- . Enhancing Website (on-line Bill Pay put on hold)
- . Adjust Water Rates per CWSP
- . Continuing public education of long-term infrastructure needs.
- . Adjust GFC and LFC (connection charges).
- . Successful completion Capital Projects.
- . Increase Board Training Opportunities
- . Research new/expanded facilities.
- . Continue Automated Meter Reading conversion program.

### *Operations*

- . PZ-1, PZ-3 Projects
- . Eliminate Service Installation Backlog.
- . AMR Conversion.
- . Process Control / PC Training.
- . Replace Well-2 Roof & improve facility appearances (Good Neighbor Program).
- . Remove Dangerous Trees
- . Develop Strategies for Staff retention.

## Emerging Trends

### *Industry-Wide*

- . Water Industry Regulation
- . Managing the balance between cost and revenues
- . Infrastructure replacement
- . Expanding and protecting water resources
- . System security
- . Planning for the future workforce

### *Community*

- . Service District approach for providing community services (sewer, port, park, water, lights).
- . Facility Planning.
- . Tracking community and volunteer projects. Projects should generally conform to the PSA Policy as to the type of project that might qualify for District sponsorship.
- . Capital Improvement Program.
- . Rates & Charges

There was discussion on various policy issues and interest that might affect the District and how it delivers services, forming a community services district, Leak Adjustments, Fees, Charges and Rates, insurance pooling, rebate programs, and employee works guidelines, wages and benefits, tenant-landlord billings, surplus property sales, and reviewing and adjusting all prior policies for compliance. The Board emphasized balancing community interests with revenues, coupled with common sense approaches in developing policies and conducting District business.

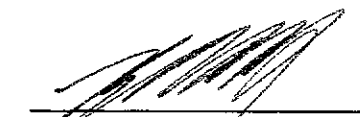
The Board reviewed the projected FY-09 budget Revenues & Expenditures, as well as proposed rate adjustments. There was consensus to stay with the scheduled 7% increase (about \$2.00 per month on typical bill); noting that inflation last year averaged 5.9% (August-August CPI-W). Rate adjustments will also be discussed in the November and December Regular Meetings.

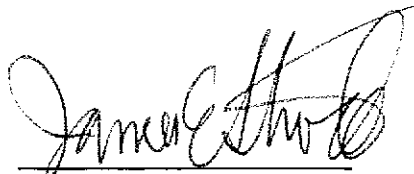
The Board reviewed the proposed Capital Outlays for FY-09, discussing the facility planning and a potential move of Administrative functions to a leased location. It was acknowledged that the District has run out of room with its current facilities and would like to see improvements. However, due to size that cannot be accomplished while in the building. Pros and Cons of a move were analyzed; Pros: ADA compliance, reduced vehicle trips on residential streets (safety, good neighbor), improved customer access, ability to help manage other community programs, expanding operations footprint for laboratories, locker room, and general maintenance; Cons: up-front costs (+\$25,000), public perception and communicating needs, downtown parking, lost opportunity cost (leasing property versus ownership). Staff was asked to meet with the builder of the proposed lease property and firm up numbers for decision-making.

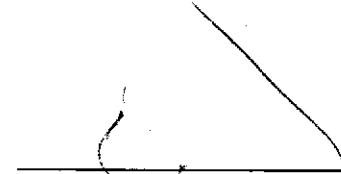
Further discussion ensued regarding the Salary Administration Program and progress in offering competitive wage and benefits to attract and retain a qualified workforce. There was discussion on employee benefit levels, including sick leave, vacation, and stand-by pay, with no changes being proposed. The Board was comfortable continuing to pay the Group Health Cooperative employee-only Rate for medical/dental premiums. This allowed employees to choose their level of coverage based on HMO, PPO, and Kaiser Plans. Adjustments to the wage schedule were discussed noting the State of Washington raised minimum wage 5.9%. Some Board members were not comfortable with that level of adjustment noting a drop in water sales and lack of meter sales during the last year. Additional conversation occurred with some desiring to keep Salary Administration Program current with market changes, while others sighted balancing district-wide needs, recognizing the lack of money to fund all programs. It was pointed out that a lot of progress has been made in prior years to be more competitive in wages and benefits, however, conditions may not allow aggressive moves every year. The Board asked for additional comparisons to help in determining salary structure adjustments.

Due to the late hour, the Board did not complete its agenda. Further discussion on rates, FY-09 budget goals and capital projects will occur at the November meeting. The Board took no action during the Special Meeting. The Board acknowledged that the projects, items, and issues discussed during the planning 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 at 4:20 p.m.

  
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Kyle D. Galpin,  
Chair

  
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James E. Strode,  
Secretary

  
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Steve Pedersen,  
Commissioner