

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

November 9, 2010

REGULAR MEETING

Chairman Kyle Galpin called the regular meeting of the Manchester Water District Board of Commissioners to order at 5:30 p.m. Present were Chairman Kyle Galpin, Commissioners James Strode and Steve Pedersen. Staff included Alan Fletcher, General Manager, Dennis O'Connell, Operations Manager, Jamie Hatton, and Rick Gross, Attorney.

1.0* **Consent Agenda**

- 1.1 **Approval of October 12, 2010, Regular Meeting Minutes.**
- 1.2 **Approval of October 26, 2010, Special Study-Session Minutes.**
- 1.3 **Approval of Vouchers.** Approval for payment of these vouchers includes General Fund vouchers #558-597 totaling \$19,181.05.
- 1.4 **Approval of District Payroll Vouchers.**

Commissioner Strode moved to approve the consent agenda. Commissioner Pedersen seconded the motion. **The motion was unanimously approved.**

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

3.0 **Regular Agenda**

- 3.1 **2011 Water Rate Adjustments – Public Comment.** There was no public comment.
- 3.2* **Resolution No. 2010-04, Modifying Rate Schedule & Increasing Base Rate.** Presented for consideration was Resolution No. 2010-04, which addresses water and street light customer rates. Staff noted that over the last few months, the Board has discussed the District's Capital Improvement Program, operational and maintenance costs, and the need for increased revenues. Based on those discussions and Board input, rate projections and usage scenarios were analyzed, the Board then directed staff to prepare for a \$2.00 per month increase, which equates to an approximate 6% increase for a customer using 1,000 cubic feet of water per month. Following further discussion reviewing cost projections, Commissioner Strode moved that we adopt Resolution No. 2010-04; Commissioner Pedersen seconded. **The motion was unanimously approved.**
- 3.3* **Interlocal Agreement for USGS Kitsap Peninsula Ground Water Model.** Presented for consideration was an Interlocal Agreement between the District and Kitsap PUD for our participation in the proposed Ground Water Model project. As previously discussed, the United States Geological Survey (USGS) will be developing a groundwater model for the Kitsap Peninsula. The proposed model will mirror the work currently being done on Bainbridge Island, with most of the WaterPAK members already signed up to contribute.

Once complete, the model will be a working tool that will assist all parties in water resource management including the acquisition of new water rights. If the District decides to participate in the 5-year analysis, \$5,000 per year will be spent during FY 2011-2015. Rick Gross has reviewed and approved the agreement as written. Commissioner Pedersen moved to authorize the Interlocal agreement; Commissioner Strode seconded the motion. **The motion was unanimously approved.**

- 3.4* **Public Service Announcement – Department of Ecology.** The Department of Ecology (DOE) would like to include an insert in a future water bill. A copy of the insert was included in the Board packets for their review. The insert discusses the E-Cycle campaign and fits the District public service announcement (PSA) policy. DOE will do their own printing, delivery, and pay the cost of insertion, estimated at 3¢ per bill. After further review and discussion, Commissioner Pedersen moved to authorize the Public Service Announcement; Commissioner Strode seconded the motion. **The motion was unanimously approved.**
- 3.5 **FY–2011 Budget.** Presented for Board review and discussion was a draft of the Fiscal Year 2011 Annual Budget. All of the tables and charts presented have been previously reviewed in planning session meetings. The Board expressed satisfaction with the draft and directed staff to prepare a final document for our December meeting.
- 3.6 **Developer Extension & Capital Improvement Projects Update.** Staff reported that there are no developer extensions currently under construction. Capital improvement projects for 2010 have been completed, and we are in the planning stages for the Curley Creek Bridge water main replacement planned for 2011. The commissioners expressed concern that Kitsap County transportation improvement projects have, in recent years, strained resources at the District because of required improvements or replacements of water mains and appurtenances. Staff expressed similar concerns and explained efforts to gain inclusion in the Kitsap County planning stages for projects impacting our system. Staff will continue to update commissioners at future meetings on efforts to improve communications with Kitsap County decision-makers.
- 3.7 **Port of Manchester Update.** Staff reported that the street light fixtures for the parking lot have been installed. The vessel responsible for damages done to the north dock has been identified and an insurance claim filed.
- 3.8 **Review of Financials**
- 3.8.1 **Water Sales Data.** The Board reviewed water sales and usage through October 2010. As noted, revenues continue to lag last year's as we approach the end of this fiscal year.
- 3.8.2 **Income & Expense Report.** The Board reviewed the financial reports for the fiscal year through September 30, 2010.

The October numbers were not yet available. Staff has been working with State auditors currently reviewing District records, and it is anticipated that a full report of the auditor's findings will be presented when available.


4.0 Miscellaneous

- 4.1 Operations Update.** Staff reported that all water samples submitted in October were reported as satisfactory. No new services were installed in October, and our total of 12 new services year-to-date remains. Staff inspected and replaced reservoir vent screens and hatch seals at all of our reservoirs since last report. The brakes on the backhoe were replaced this month, and although we have not yet received the invoice, we anticipate the cost of repairs will be in excess of \$6,000. The repairs were necessary to operate the machine safely. We produced 14,368,000 gallons in October, down 4 percent from the same reporting period in 2009.
- 4.2 Administration Update.** Alan Fletcher reviewed scheduling for the coming month and reminded the commissioners that he will be out of the office for three weeks in November and early December.
- 4.3 Board of Commissioner Comments.** Commissioner Pedersen thanked staff for their efforts with the rate adjustment presentation and proposed FY 2011 budget discussions during multiple planning sessions held earlier in the year.


5.0* Future Meeting Dates

- 5.1 December 14, 2010, 5:30 p.m. – Regular Meeting, Manchester Library
5.1 January 11, 2011, 5:30 p.m. – Regular Meeting, Manchester Library

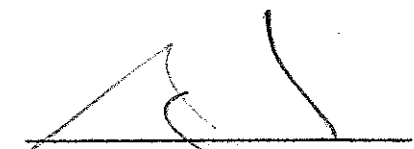
- 6.0* Adjournment.** There being no further business to come before the Board, the Commissioners moved to adjourn the meeting at 6:45 p.m.



Kyle D. Galpin,
Chairman



James E. Strode,
Secretary



Steve Pedersen,
Commissioner