

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

April 12, 2011

REGULAR MEETING

- 1.0 Chairman Kyle Galpin called the regular meeting of the Manchester Water District Board of Commissioners to order at 5:33 p.m. Present were Chairman Kyle Galpin and Commissioner James Strode. Commissioner Steve Pedersen was absent. Staff included Dennis O'Connell, Interim General Manager; Scott Wolf, Interim Operations Foreman; Kristin Bilodeau, Customer Accounts Specialist; Jamie Hatton, Accounting Specialist, and Rick Gross, Attorney. Prior to proceeding with the meeting, Commissioner Strode moved that Commissioner Pedersen's absence be excused for personal business. Commissioner Galpin seconded and the motion carried.
- 2.0* **Consent Agenda** – *Staff recommended approval of the consent agenda as presented.* If modifications are needed to any item, the item will be pulled from the Consent Agenda and placed on the Regular Agenda.
 - 2.1 **Approval of March 8, 2011, Regular Meeting Minutes.**
 - 2.2 **Approval of Vouchers.** Approval for payment of these vouchers included General Fund vouchers #116-177-098, and 179-198, totaling \$42,753.17, and Street Light Fund vouchers #115 and #178 totaling \$ 3,840.22.
 - 2.3 **Approval of District Payroll Vouchers**

Commissioner Strode moved to approve the Consent Agenda. Commissioner Galpin seconded. **The motion was unanimously approved.**
- 3.0 **Public Comment.** There was no public comment.
- 4.0 **Regular Agenda**
 - 4.1 **Internal Audit: Base Rate Billing** – Following consideration of Resolution 2011-01 at our last meeting, the Board requested an internal audit of all accounts that are billed a multiple base-rate for accessory dwelling units. To review; if adopted, Resolution 2011-01 would establish a policy limiting the number of previous billing cycles eligible for adjustment. Staff has completed its internal audit and discovered a total of four (4) separate accounts with potential errors in base-rate billing structure. A summary report listing the four accounts and their status was presented by Customer Accounts Specialist, Kristin Bilodeau. After discussion, it was determined that to correct the billing errors and remain consistent with recent practice, the District shall refund the affected accounts that portion of their bill that was overcharged. The refunds shall be retroactive for a maximum six calendar year period in keeping with statutes relating to written contractual agreements. Customers shall receive their refund in the form of a check along with a letter of explanation. This is a one-time benefit offered as a

direct result of our internal billing audit and does not reflect general policy regarding billing dispute resolution. Commissioner Strode moved that we process the appropriate refund for each account discussed. Commissioner Galpin seconded. **The motion was carried unanimously.**

- 4.2 **Billing Dispute Resolution Policy Draft** - Presented for review was a draft policy for resolving billing disputes and corrections. The purpose of the policy is to define an ethical and consistent means of resolving billing disputes and corrections. This policy would clarify the expectation of reasonable due diligence on both the District and its customers to recognize, and seek action to correct such billing errors. The policy would apply to all reasonably ascertainable billing errors in favor of the District or its customers. An integral component of the policy is the methodology for customers to be informed of their right to a hearing before the Board if satisfaction cannot be met through standard procedure and practice. The policy would limit the number of previous billing cycles eligible for adjustment at eighteen (18) bi-monthly periods, or three (3) calendar years from the date the billing error is discovered. The general three-year statute of limitations regarding such matters is typical for domestic utility service providers. Additionally, the policy would limit the number of billing adjustments allowable at the discretion of the District's General Manager, and without prior Board action and approval, to three (3) bi-monthly billing cycles or six (6) calendar months from the date of discovery. Following input from the Board and Attorney Rick Gross, staff shall revise the draft for inclusion as Exhibit A in a future presentation of Resolution 2011-01.

No action was taken pending further investigation and input.

- 4.3 **Friends of the Manchester Library PSA Request** – A request was presented from the Friends of the Manchester Library (FOML) to include notice of their upcoming annual salmon bake in our April and May billing messages. The announcement is consistent with those posted in previous years and meets all criteria for inclusion in District mailings as defined in Resolution 2006-06 regarding public service announcements. Commissioner Strode moved that we allow the inclusion of the salmon bake announcement in our April and May billing messages. Commissioner Galpin second, and **the motion was carried unanimously.**
- 4.4 **Developer extensions & Capital Improvement Projects Update** – Dennis O'Connell reported that the bid opening for the Curley Creek Bridge replacement project is scheduled for April 26, 2011, with a tentative commence work date of June 20, 2011. District staff will have completed preliminary work by June for system isolation at the site.

4.5 **Port of Manchester Update** – Commissioner Strode reported that the Washington State Recreation & Conservation Office (RCO) has approved a request for expanding the scope of work under Grant #08-1895 to include replacement of the south dock floating assembly. A request for proposals to design, permit, and build the replacement dock has been published. Proposals will be reviewed next month.

4.6 **Review of Financials**

4.6.1 **Water Sales Data.** The Board and staff reviewed the water sales & usage report through March 2011.

4.6.2 **Income & Expense Report** - The Income & Expense Report through March 2011 was enclosed for review.

5.0 **Miscellaneous**

5.1 **Operations Update** - All water samples submitted in March tested satisfactory. Staff did a service line repair on Beach Drive, and converted four more meters to our automated read system. Staff installed one new service since last report, bringing total new services installed year-to-date to three. Staff is currently conducting our annual system-wide flushing with a target completion date of April 22, 2011. The District produced 16,196,000 gallons in March, up four percent from the same reporting period in 2010.

5.2 **Administrative Update** - The District's Annual Water Quality Report (a.k.a. CCR) is ready for publication. It will be included as an insert with our customer billings in April and May.

5.3 **Looking Forward** – Last fall, it was determined that we would monitor our financial status and schedule a mid-year planning session if needed. If a mid-year session is deemed necessary, we will target June 7, 2011 as our meeting date. Staff is currently working on revisions to our District website. Look for updates coming soon.

5.4 **Board of Commissioner Comments** – No additional comment was offered.


6.0* **Future Meeting Dates**

6.1 May 10, 2011, 5:30 p.m. – Regular Meeting, Manchester Library

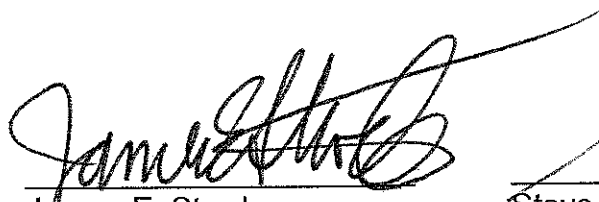
6.2 June 14, 2011, 5:30 p.m. – Regular Meeting, Manchester Library

7.0* **Adjournment**

There being no further business to come before the Board, the Commissioners moved to adjourn the meeting at 6:50 p.m.



Kyle D. Galpin,
Chairman



James E. Strode,
Secretary



Steve Pedersen,
Commissioner