

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

January 13, 2009

## REGULAR MEETING

Chairman Kyle Galpin called the regular meeting of the Manchester Water District Board of Commissioners to order at 5:40 p.m. Present were Chairman Kyle Galpin, Commissioners James Strode and Steve Pedersen. Staff present included Alan Fletcher, General Manager, Dennis O'Connell, Operations Manager, Kristin Bilodeau, and Rick Gross, Attorney.

- 1.0\* **Election of Officers.** Commissioner Pedersen nominated Commissioner Strode as Board Secretary and Commissioner Galpin as Board President, Commissioner Strode seconded the motion and moved the nominations be closed, seconded by Commissioner Pedersen. Commissioner Pedersen moved to retain Commissioner Strode as Secretary and Commissioner Galpin as Board President. Commissioner Strode seconded. **The motion was unanimously approved.**
- 2.0\* **Consent Agenda**
  - 2.1 **Approval of December 11, 2008, Regular Meeting Minutes.**
  - 2.2 **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 #567, 569-582, 584-608, 001-009 totaling \$41,953.58; Capital Fund voucher #568, 010 totaling \$1,521.00.00; and Street Light Fund Voucher #583 totaling \$1,872.54.
  - 2.3 **Approval of District Payroll Vouchers.**
  - 2.4 **Approval of FY 2009 Position Placement Schedule.**

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

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

## 4.0 Regular Agenda

- 4.1\* Chairman Galpin moved Agenda Item 4.1 to the end of the Regular Agenda, now Agenda Item 4.8, in order to allow extra time for Ms. Phillips to attend.
- 4.2\* **Resolution No. 2009-01, Modifying General Facilities Charges.** Staff presented a resolution modifying the General Facility Charge (GFC) for new meter connections. The GFC is established in accordance with RCW 57.08.005(10), and is based on the capital cost the District will or has incurred to provide capacity in the water system, plus interest, for up to 10 years. Future cost elements are determined by the District's adopted 10 Year Capital Improvement Plan. The existing and future cost elements are calculated using Equivalent Residential Units (ERU). ERUs are established meter equivalent ratios that have been tabulated based on American Water Works Association Standards, as set forth in Manuals M1 and M6.

Staff explained that the initiating act for the GFC provided for periodic adjustment of the charges based on the increase or decrease in the Engineering News Record 20 City Construction Index. RH2 Engineers, Inc. has reviewed the Construction Index and has determined that capital costs have increased by 2.1% in 2008. Given the change in capital costs and as allowed by the initialing act, an increase in the GFC is warranted. Staff displayed a slide of the proposed changes:

<u>Meter Size</u>	<u>ERU Equivalent Factor</u>	<u>Current GFC</u>	<u>Proposed GFC</u>
5/8"	1.0	\$ 3,050	\$ 3,114
1"	2.5	\$ 7,625	\$ 7,785
1 1/2"	5.0	\$ 15,250	\$ 15,570
2"	8.0	\$ 24,400	\$ 24,912
3"	16.0	\$ 48,800	\$ 49,824
4"	25.0	\$ 76,250	\$ 77,850
6"	50.0	\$ 152,500	\$ 155,700
8"	80.0	\$ 244,000	\$ 249,120

Commissioner Pedersen moved to approve Resolution No. 2009-01, modifying the water system connections charges for General Facilities and superceding the General Facilities Charges established in Resolution No. 2008-07. Commissioner Strode seconded. **The motion was unanimously approved.**

- 4.3\* **Resolution No. 2009-02, Amending Schedule of Fees & Charges.** Staff presented the District's 2009 Schedule of Fees and Charges (Schedule), noting that the Schedule contains the typical fees that the District would charge customers and others for services. The Schedule's fees are based on a cost-of-service basis, which includes overheads and has been adjusted to reflect the dollar increases in the average cost of labor and benefits, and operating costs for vehicles. The following changes were recommended:

<u>Service</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
District Full Meter Installation 3/4-inch	1,200.00	1,500.00
District Full Meter Installation 1-inch	1,275.00	1,550.00
General Facilities Charge	3,050.00	3,114.00
Labor – Straight Time	30.00	33.00
Labor – Overtime	40.00	45.00
Dump Truck	55.00	57.00
Backhoe (Bare)	55.00	57.00
Pickup Truck	25.00	27.00
Service Truck (With Tools)	55.00	57.00

Commissioner Strode moved to approve Resolution No. 2009-02, amending the Schedule of Fees & Charges. Commissioner Pedersen seconded. **The motion was unanimously approved.**

- 4.4\* **Banner Road Tank & Transmission Main Engineering Selection.** Staff updated the Board on the selection process for design and engineering of the Banner Road Tank & Pipeline. Request for Proposals (RFP) were issued to three pre-qualified firms: HDR, Inc., N. L. Olson & Associates, and RH2 Engineering, Inc. The proposals were received and evaluated by a set criterion. The section-team ranked each proposal and point totals were calculated, with N. L. Olson receiving the highest point total. The Commissioners asked questions regarding the criteria and selection process, with staff responding to each. Commissioner Galpin moved to award the project to N. L. Olson & Associates based on the rank order of points. He further moved to direct the General Manager to execute an Engineering Services Agreement for the work, with the District's Attorney approving all forms. Commissioner Pedersen seconded. **The motion was unanimously approved.**
- 4.5 **Developer Extensions & Capital Improvement Projects Update.** Staff briefed the Board during the meeting on Developer Extension issues, including the Woods View and Manchester Highlands projects.
- 4.6 **Port of Manchester Update.** Staff updated the Board on Port activities, including property purchase, sign permitting, and donation box fabrication.
- 4.7 **Review of Financials**
- 4.7.1 **Water Sales Data.** Staff received the customer usage through December 31, 2008. Total sales for the year were below budget projections, however, \$44,775 above sales in FY-07. Variances are due to the seasonality of water sales and directly related to the cooler summer we enjoyed in 2008. Total sales of 202.5-million gallons were the lowest totals since 2001.
- 4.7.2 **Income & Expense Report** – The Income & Expense summary report for the month of November 2008 was reviewed.
- 4.8\* **Request for Relief of Charges, Leona Phillips.** Staff presented Ms. Phillips request for relief of door hanger fees after receiving a shut-off notice. She stated that the notice was improperly delivered and she did not see it by the shut-off date. Staff was hesitant to relieve charges due to past payment history and familiarity with the process, noting that door-hanger shut-off notice is one of only three billing messages sent customers. In addition, District staff always attempts to leave postings in conspicuous places (a gate in this case); however, we are sometimes limited when access is impaired. Commissioners asked numerous questions related to the shut-off process and what assistance is available for helping indigent customers. Staff referred to the various agencies where we refer customers as well as the steps taken to help customers with payments. Commissioner Pedersen asked that this subject be addressed in this year's planning session. The Board denied relief and no action was taken.

## 5.0 **Miscellaneous**

- 5.1 **Operations & Capital Projects Updates.** December water quality samples were all satisfactory. Our storm preparedness and response capacity were fully tested in December.

Thanks to an aggressive meter insulation program, and our focus on facilities maintenance, we had no meter or pipe failures in spite of prolonged freezing temperatures. Staff did respond to a number of frozen and broken house lines throughout the service area. The District produced 15,477,100 gallons in December, representing an approximate 1% increase over this reporting period in 2007. For 2008, District staff installed 19 new services, and we submitted nearly 150 water quality samples in addition to daily monitoring and testing protocols. Production was down approximately 1.3% to just over 215 million gallons.

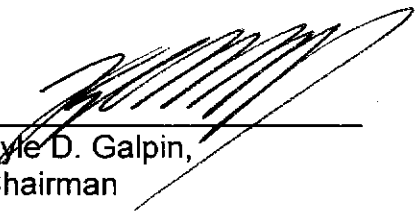
- 5.2 **Administration Updates.** The General Manager discussed upcoming projects and new WSDOT requirements for depth of pipe and removal of old infrastructure on State Highways. West Sound Utility District is currently faced with this issue and is working with WSDOT officials.
- 5.3 **Board of Commissioners.** Commissioner Strode notified the Board that he would not be attending the meeting in February, as he will be out of town. The Commissioners excused the absence.

6.0\* **Set Future Meeting Dates**

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

6.2 March 10, 2009, 5:30 p.m. – Regular Meeting

- 7.0\* **Adjournment.** There being no further business to come before the Board, Commissioner Strode moved to adjourn. Commissioner Pedersen seconded. The meeting was adjourned at 7:00 p.m.




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Kyle D. Galpin,  
Chairman

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James E. Strode,  
Secretary



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Steve Pedersen,  
Commissioner