

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

September 8, 2009

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, Commissioner Steve Pedersen and James Strode. Staff present included Alan Fletcher, General Manager, Dennis O'Connell, Operations Manager, Jamie Hatton, and Rick Gross, Attorney. Public present were Robert Lamb and Ron Rada.

1.0* Consent Agenda

- 1.1 **Approval of August 11, 2009, 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 are recorded on a listing that is reviewed by the Board prior to the meeting. Approval for payment of these vouchers includes Street Light Fund voucher #356, totaling \$1,874.76; General Fund vouchers #357-376, 378-410, totaling \$23,422.42; Capital Fund vouchers #377, totaling \$6,000.00.
- 1.3 **Approval of District Payroll Vouchers.**

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

- 2.0 **Public Comment.** Ron Rada requested that the Board look into the feasibility of acquiring the local sewer system from Kitsap County in order to exercise local control over decisions. The Commissioners noted that there has been previous discussion on the matter and that the District is currently talking with the County on billing services for the sewer utility. In addition, that management of sewer services in conjunction with domestic water is very common and might provide some long-term benefits for the community. Robert Lamb was not sure that having combined management of utilities was a good idea and that it appeared to be a power play. The Commissioners noted that they support more local control over such matters and asked that staff include the topic in its Annual Planning Session. Mr. Lamb also asked about rumors of the District collaborating with the Port in renting property. Commissioner Strode noted that the District has discussed many options over time as it has serious space needs and conducts a commercial business in a residential area; however, no decisions have been made. Commissioner Pedersen stated that the District has budgeted for office, shop, and garage improvements for many years but have been unable to afford expansion, despite a very real need. Also, that the District has looked at some retail space earlier in the year, however, leasing space at the Anchors retail site was not financially viable at the time. The Commissioners found Mr. Lamb's suspicions of ill intent due to combining utilities or the District moving offices surprising.

3.0 Regular Agenda

- 3.1 **Public Service Project –Tom Wright, Eagle Scout Candidate.** Dennis O'Connell provided a quick overview of the work the Scouts accomplished. Scout Tom Wright was unable to attend tonight and staff requested that this issue be taken up at the next meeting, thereby providing Tom an opportunity to make his presentation. The Commissioners agreed to reschedule the item and looked forward to hearing from Tom.

- 3.2* **Appeal of Leak Adjustment – Shirley Steward, 7812 Fir.** Staff reported that Ms. Steward has requested a full write-off of leakage at her Fir Street rental property. She was tipped off to a leak after being notified by staff of high consumption and worked diligently to repair failing fixtures, toilets, and plumbing resulting in a tight system. When complete Ms. Steward insisted on a full write-off of the leakage, stating that she has heard of other water providers writing-off the entire amount and assuming we had a fund set up for that purpose. Staff explained the District policy and applied the standard leak adjustment pending appeal. Staff explained that Ms. Steward's Leakage was clearly within her customer owned system and the District worked to help her identify potential problems. Staff recommended no further adjustments, noting that the standard leak adjustment resulted in an approximate 50% reduction in the billing. After discussion, the Commissioners supported staff's position, with no action taken on the appeal.
- 3.3* **Request for Main Extension Variance – Trondson Construction, Inc.** Staff reported that Trondson has three building lots that stretch from E Washington Street north across the unimproved Idaho Street in Manchester Heights. The lots front the steep slope of Beaver Creek with one lot having frontage to the new pipeline on E Washington Street. TCI has requested that service be extended from Washington Street, by easement, across the unimproved Idaho Street to serve one of the lots. Idaho, if improved would dead-end into Trondson's property and due to steep slopes would not extend further west. Staff noted that this type of configuration results in water quality problems due to a lack of fresh water turnover in pipelines. Typically, being adjacent to a platted road would necessitate a main extension west on Idaho from Nevada, however, due to site conditions, bogs, and slopes a different configuration is desirable. Commissioner Pedersen moved to approve service to the subject property without a main extension, citing unique circumstances including water quality concerns, the property's positioning, and there is no foreseeable development in this location due to physical constraints. Commissioner Strode seconded. **The motion was unanimously approved.**
- 3.4 **2010 Preliminary Budget.** Staff presented the preliminary 2010 Budget, including discussion of water rates, projected revenues, capital outlays, and capital improvement projects. Staff noted that while we are programmed for an approximate 7% rate adjustment to meet the requirements of the CWSP, that the budget has been prepared forgoing an increase due to the economy. It is hoped that between the September and October meeting as well as the Annual Planning Session, 2010 budget numbers can be firmed up and consensus reached on the proposed budget. Adoption is slated for no later than the December 2009, Regular Meeting.
- 3.5 **Developer Extension Update.** Staff reported that Phase 1 & 2 of the Cedar Creek Estates (Woods View) project main extensions have been installed and tested. There is now water to the site.
- 3.5.1 **Annexation of Cedar Creek Estates.** Staff discussed annexation of the Cedar Creek Estates development into the District. While the District has not actively sought annexation of property outside of its current corporate boundaries, it makes sense for this planned development to be incorporated. The Board supported annexing the property and directed staff to solicit petitions and prepare a resolution for the next meeting.
- 3.6 **Port of Manchester Update.** The District has billed the Port \$827.98 for the month of August. Work included some crew time for a repair completed (but not reported) in July, accounting, and 14-hours of administration time for Port business.

3.7 **Capital Improvement Projects Update.** Staff has acquired the necessary permits to continue construction on the Garfield Storage facility.

3.8 **Review of Financials**

3.8.1 **Water Sales Data.** Staff presented the Sales & Usage Report through August 31, 2009, noting that revenues are up from last year at this time, due in part to the January rate increase and a much warmer spring and summer. Sales revenues exceed last years by over \$73,000 and the District is on track to meet budget projections.

3.8.2 **Income & Expense Report.** The Board reviewed the Income & Expenses and Board O & M Summary reports through July 2009.

4.0 **Miscellaneous**

4.1 **Operations Update.** All water samples collected in August tested satisfactory. In addition to our routine monthly sampling, staff conducted compliance sampling for lead and copper, Radium 228, and nitrates from multiple sources throughout the District. Staff installed nine new services in August, and 24 new service installations year-to-date. Staff converted another nine meters to our automated read system, bringing our total for the year to 37 conversions. The District produced 25,193,000 gallons in August, up just 1300 gallons from the same reporting period in 2008.

4.2 **Administration Update.** Staff reported on a presentation to the Manchester Community Council regarding general water resources and the District management approach to water rights and water availability. The Gatewood Manor (mobile home community) inquired about water service due to supply and water quality issues. Staff quoted connection fees and is checking with state agencies to see if any financial assistance is available for a transition. Staff also reported it is seeking competitive pricing for insurance services.

4.3 **Board of Commissioners.** There were no additional Board comments.

5.0* **Future Meeting Dates**

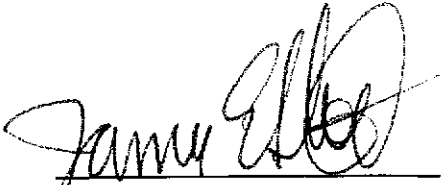
5.1 October 13, 2009, 5:30 p.m. – Regular Meeting

5.2 October 17, 2009, 9:00 a.m. – Annual Planning Session & Water System Tour

5.3 November 10, 2009, 5:30 p.m. – Regular Meeting

6.0* **Adjournment.** There being no further business to come before the Board, the Commissioners adjourned at 7:40 p.m.

Kyle D. Galpin,
Chairman



James E. Strode,
Secretary

Steve Pedersen,
Commissioner