

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

November 10, 2015

## REGULAR MEETING

1.0 Board Chair Steve Pedersen called the regular meeting of the Manchester Water District Board of Commissioners (Board) to order at 5:30 p.m. Commissioner James Strode was also present. Commissioner Paul Drotz was excused. District staff members in attendance were Dennis O'Connell, General Manager; Scott Wolf, Operations Foreman; and Erin Civilla, Accounting Specialist. O'Connell also introduced Tonya Rothe, Customer Service Representative to the Board and attendees. Attorney Ken Bagwell and citizen Joe Guariz were also present.

2.0\* **Consent Agenda** – *Staff recommended approval of the consent agenda as presented.*

2.1 **Approval of October 13, 2015, Regular Meeting Minutes**

2.2 **Approval of October 27, 2015, Special Meeting Minutes**

2.3 **Approval of Vouchers** – Approval for payment of these vouchers included General Fund vouchers totaling \$ 47,426.86, and a Street Light Fund voucher totaling \$ 2,177.21.

2.4 **Approval of District Payroll Affidavits.**

Commissioner Strode moved to approve the consent agenda as presented. Board Chair Pedersen seconded and **the motion carried unanimously.**

3.0 **Public Comment** – No public comment was offered.

4.0 **Regular Agenda**

4.1 **Well 12 Status Report** – In February of 1998, the District Board of Commissioners voted to approve the purchase of the Natural Woodlands Association / Test Well site property north of Sedgwick Road. The Board directed attorney Rick Gross to draft an offer of \$50,000.00 for the 4.45-acre parcel which included a Department of Ecology test well, now commonly referred to as Well 12 by the Manchester Water District, and the Manchester Monitor Well by the Kitsap Public Utility District (KPUD).

The well is equipped with a water level data logger and is considered a permanent water level observation well in the KPUD monitoring network. The 10-inch diameter well is drilled to a depth of 990 feet. On September 15, 1997, testing revealed a standing water level of 253 feet with a yield of 188 gallons per minute at a pumping water level of 370 feet. At that time, it was noted that actual potential yield of the well may be significantly greater with a modified casing

screen design. A water quality analysis was performed by Water Management Laboratories in Tacoma and the sample submitted met all current standards for a potable water supply, although a slight odor of hydrogen sulfide was detected.

The District purchased the property with the intent of adding another source of supply to meet future needs. It should be noted that the District’s Well 9, located approximately one mile east of the Well 12 site, currently yields the maximum instantaneous water right of 600 gallons per minute, with an annual yield of only 15-percent of the total water right of 416 acre feet.

Staff explained that as of this meeting, it was not known if the property purchase agreement included any encumbrances relating to the monitoring well that may impact transfer of property ownership. Staff will continue to research the matter and report back to the Board in the coming months.

*No formal Board action was requested.*

- 4.2 **FY 2016 Expense Projections** – Staff presented slides depicting projected expenses for FY 2016, including but not limited to; human resources, operations and maintenance, capital outlay, and capital improvement projects. Each expense category was discussed as part of a series of planning and strategy sessions aimed at developing the District’s FY 2016 Budget. An expense summary was presented as follows:

PROJECTED REVENUE	\$	1,936,000.00
Human Resources	\$	665,000.00
Professional Services	\$	40,000.00
Administrative	\$	180,000.00
Operations & Maintenance	\$	200,000.00
Street Lighting	\$	26,000.00
Satellite System Management	\$	2,000.00
Port of Manchester	\$	10,000.00
Rental Expense	\$	1,000.00
Capital Outlay	\$	50,000.00
Capital Improvement Projects	\$	200,000.00
Stormwater Phase III Contingency	\$	60,000.00
TOTAL EXPENSE	\$	1,434,000.00
INCOME BEFORE DEBT SERVICE	\$	502,000.00
Debt Service	\$	101,714.00
<b>PROJECTED TOTAL FUND BALANCE</b>	<b>\$</b>	<b>400,286.00</b>

After further discussion regarding capital outlay details, capital improvement projects for 2016, and the projected total fund balance, staff solicited Board input on the FY 2016 Budget document. Staff will prepare a final budget for Board consideration at their December 8<sup>th</sup> regular meeting.

*No formal Board action was requested.*

#### **4.3 Review of Financials & Operations**

4.3.1 **Water Sales Data** – Water sales data through October 31, 2015 were reviewed with a total of \$91,589 for this billing cycle.

4.3.2 **Income & Expense Report** – Staff presented the Income & Expense Executive Summary Report for the period ending October 31, 2015, including the fund account summary totaling \$743,678.97.

4.3.3 **Operations Update** – Staff presented the Operations Update, and for this reporting period, the District produced 13,713,000 gallons.

4.3.4 **Capital Improvements and Developer Extension Updates** – No further updates were offered.

#### **5.0 Executive Agenda**

5.1 **Administrative Update** – No additional comment was offered.

5.2 **Board of Commissioners' Comments** – No additional comment was offered.

5.3 **Executive Session Option** – The General Manager requested a 15-minute executive session to discuss personnel issues. Board Chair Pedersen called the executive session to order at 6:48 p.m. The regular meeting was called back to order at 7:05 p.m.

#### **6.0 Future Meeting Dates**

6.1 November 24, 2015, 5:30 p.m. – Special Meeting, Field Operations Complex

6.2 December 8, 2015, 5:30 p.m. – Regular Meeting, Manchester Library

6.3 January 12, 2016, 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 7:10 p.m.

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Steve Pedersen,  
Chairman

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James E. Strode,  
Secretary

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Paul Drotz  
Commissioner