

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

January 14, 2014

## REGULAR MEETING

- 1.0\* Board Chair Steve Pedersen called the regular meeting of the Manchester Water District Board of Commissioners (Board) to order at 5:33 p.m. Also present were Commissioners James Strode and Kyle Galpin. Staff members present included Dennis O'Connell, General Manager; Ken Bagwell, Attorney; Scott Wolf, Operations Foreman; and Erin Civilla, Accounting Specialist. Public guests present were Mr. and Mrs. Ballard.
- 2.0\* **Oath of Office – James Strode** – Attorney Bagwell administered the oath of office to re-elected Commissioner James Strode.
- 3.0\* **Election of Officers** – Commissioner Galpin moved to maintain the existing officers for 2014. Commissioner Strode seconded and motion passed unanimously.

President: Steve Pedersen  
Secretary: James Strode  
Commissioner: Kyle Galpin

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

- 4.1 **Approval of December 10, 2013, Regular Meeting Minutes**  
4.2 **Approval of Vouchers** – Approval for payment of these vouchers included General Fund vouchers totaling \$35,113.17, and Street Light Fund voucher totaling \$2,056.68.  
4.3 **Approval of District Payroll Affidavits.**

Commissioner Strode moved to approve the consent agenda as presented. Commissioner Galpin seconded, and **the motion passed unanimously.**

- 4.0 **Public Comment** – No public comments were offered.

## 6.0 Regular Agenda

- 6.1\* **Resolution 2014-01 - FY 2014 Schedule of Fees & Charges** – Presented for Board consideration was Resolution 2014-01, amending the District's Schedule of Fees & Charges. Pursuant to strategies discussed during autumn planning sessions and reflective of current inflationary trends, the only change proposed to the FY 2014 Schedule of Fees & Charges is an increase in the General Facilities Charge for new service connections to \$3,424.00. This change would result in a total new service connection fee of \$6,154.00. All other charges remain unchanged from FY 2013. **Commissioner Galpin** moved to adopt Resolution 2014-01 as presented. Commissioner Strode seconded **and the motion passed unanimously.**

- 6.2\* **Resolution 2014-02 – FY 2014 Water Rate Schedule** – Presented for Board consideration was Resolution 2014-02, modifying the District’s water rate schedule. The Board is compelled by law to establish rates sufficient to satisfy all costs associated with the operation, maintenance, and necessary capital improvements to operate the District in an efficient manner. To that end, and pursuant to strategies discussed during autumn planning sessions, a 7-percent increase to each of the four rate tiers is proposed. The base rate charge shall remain unchanged for FY 2014. If adopted, the following rate structure shall apply to all customers for each two-month billing cycle:

FY 2014  
+7% to Commodity Only

		In District	Out of District
Base Rate		\$ 33.50	\$ 35.50
Lifeline	0-800	\$ 1.82	\$ 1.82
Tier 1	801-3000	\$ 2.30	\$ 2.30
Tier 2	3001-6000	\$ 3.26	\$ 3.26
Tier 3	6001-Above	\$ 3.98	\$ 3.98

Each rate tier is applied to water consumption in blocks of 100 cubic feet, or 748 gallons. An In-District customer’s bill with a consumption of 800 cubic feet would be billed \$1.82 multiplied by 8 blocks of 100 cubic feet (\$14.56) plus the base rate charge of \$33.50, totaling of \$48.06 for two months of water service. This represents a \$.96 increase over a current bill of the same consumption. After brief discussion regarding reporting the historical efficacy of varying rate increases, Commissioner Strode moved to adopt Resolution 2014-02 as presented. Commissioner Galpin seconded and **the motion passed unanimously.**

- 6.3\* **AT & T Preliminary Lease Agreement Review** – Since 2006, the District has leased elevated space on its California Tanks, located at 1698 California Avenue, to wireless service providers. Recently, AT & T has expressed interest in leasing space at the site. Presented for Board consideration is a preliminary lease agreement for antennae placement on top of both tanks and 840 square feet of ground space for switching equipment. Although further research is needed to ensure serviceability for AT & T, both District staff and AT & T representatives are working concurrently on the terms of an agreement should AT & T choose to move forward. The terms presented are for a five-year lease at \$1,250 per month, with an annual increase of 2-percent each year. Staff was seeking Board input with regard to terms and conditions set forth in the lease agreement, and approval from legal counsel as to form of the agreement. Board Chair Pedersen asked how the lease rate was established. Staff explained the rate is based on square footage of ground footprint based on existing lease rates for other tenants. Staff also explained that before any lease agreement is finalized, we will seek approval on all mechanical designs with our contract engineer. After further discussion, Board Chair Pedersen stated the Board is supportive of terms and conditions set forth in the draft agreement as presented.

## 6.4 Review of Financials

6.4.1 **Water Sales Data** – Staff reviewed the water sales & usage report through December, 2013.

6.4.2 **Income & Expense Report** – Staff reviewed the Income & Expense Executive Summary Report for the period ending November 31, 2013, including the fund account summary totaling \$525,479.33.

## 7.0 Miscellaneous

7.1 **Operations Update** – One sample submitted in December was unsatisfactory. The sample was taken at the EPA Laboratories at the north end of the distribution system. Repeat samples were satisfactory and no further action was required. Staff repaired a service line leak on Cascade Drive, completed our annual physical inventory, and continued work on Operations Building improvements. The District produced 13,456,000 gallons in December.

For 2013, the District installed 12 new services, and produced a total of 202,483,000 gallons. Total production is 9,971,000 gallons less than 2012.

7.2 **Capital Improvement Project & Developer Extension Update** – There were no project updates to report.

7.3 **Administrative Update** – Staff reported that the rental property at 2082 Spring Street is now vacant and they will be meeting with Kitsap County personnel to determine required permits for demolition of the existing mobile home, carport, and shed. Plans for the property include a new operations workshop and garage.

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

7.5 **Executive Session Option** – Staff requested an executive session to update the Board on potential arbitration proceedings. Chair Pedersen called the executive session to order at 6:40 p.m. with an estimated duration of 30 minutes.

Chair Pedersen adjourned the executive session at 7:17 p.m.

## 8.0 Future Meeting Dates

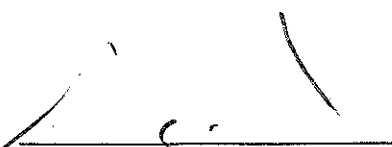
8.1 February 11, 2014, 5:30 p.m. – Regular Meeting, Manchester Library

8.2 March 11, 2014, 5:30 p.m. – Regular Meeting, Manchester Library

8.3 April 8, 2014, 5:30 p.m. – Regular Meeting, Manchester Library

9.0\* **Adjournment**

There being no further business to come before the Board, the Commissioners moved to adjourn the meeting at 7:25 p.m.



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Steve Pedersen,  
Chairman

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James E. Strode,  
Secretary



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Kyle Galpin,  
Commissioner