

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF MANCHESTER WATER DISTRICT

November 20, 2019

SPECIAL MEETING

- 1.0 **Call to Order** – Board Chair Steve Pedersen called the special meeting of the Manchester Water District Board of Commissioners (Board) to order at 5:30 p.m. Commissioners Paul Drotz and James Strode were also present. District staff present were Dennis O’Connell, General Manager; Erin Civilla, Accounting Specialist; and Scott Wolf, Operations Foreman.
- 2.0 **FY 2020 Budget Review** – Staff presented a review of the proposed FY 2020 Budget Income & Expense Summary. An executive summary of the data was presented as follows:

FY 2019 Balance Forward	\$ 757,623.00
REVENUE	
Water Sales	\$ 1,425,000.00
Street Lighting	\$ 27,000.00
Investment Income (Interest)	\$ 3,000.00
Satellite System Management	\$ 2,100.00
Port of Manchester	\$ 10,000.00
Rental Revenue (Communications Leases)	\$ 38,000.00
Jobbing Labor	\$ -
New Meter Sales	\$ 147,000.00
Developer Extension Payback	\$ -
Miscellaneous Revenue	\$ 2,500.00
Loan Proceeds	<u>\$ -</u>
TOTAL REVENUE	\$ 2,412,223.00
EXPENSE	
Human Resources	\$ 810,000.00
Professional Services	\$ 20,000.00
Street Lighting	\$ 27,000.00
Port of Manchester	\$ 10,000.00
Administrative	\$ 225,000.00
Operations & Maintenance	\$ 245,000.00
Capital Outlay	\$ 95,000.00
Capital Projects	<u>\$ 275,000.00</u>
TOTAL EXPENSE	\$ 1,707,000.00
INCOME BEFORE DEBT SERVICE	\$ 705,223.00
Debt Service	<u>\$ 101,000.00</u>
PROJECTED TOTAL FUND BALANCE	\$ 604,223.00
<i>(Unrestricted Fund Balance)</i>	

Staff noted a revision to the Capital Improvement Projects (CIP) line item to reflect an additional \$25,000 added for engineering services to design an intertie connection with West Sound Utility District (WSUD) on Nevada Avenue. This addition is intended as contingency funding pending further discussion and exploration with WSUD staff.

3.0 **Proposed FY 2020 Schedule of Fees & Charges** – The District maintains a Schedule of Fees & Charges (Schedule) for services provided, including billing rate structures and new service connection fees. Staff presented a proposed revised Schedule and each line item was reviewed. The proposed Schedule was as follows:

Schedule of Fees & Charges

Effective January 1, 2020

Rate Structure

Base & Consumption Rates Per 2-Month Billing Cycle		
Rate Tier	Consumption in Cubic Feet 100 Cubic Feet (HCF) = 748 Gallons	Cost / (HCF)
Base	0	\$ 39.50
Tier 1	0 - 800	\$ 2.19
Tier 2	801 - 3000	\$ 2.75
Tier 3	3001 - 6000	\$ 3.92
Tier 4	6001 & Above	\$ 4.88
Lights	Street Lighting District Customers Only	\$ 4.50

Service Fees & Account Maintenance

Late Fee	Refer to Application of Fees Policy	10%
Door Tag	Shut-Off Notice Notice Delivered to Door	\$ 23.00
Shut-Off	Shut-Off and Restoration of Service	\$ 46.00
NSF Fee	Non-Sufficient Funds / Returned Check	\$ 40.00
Closing	Final Meter Read and Closing Bill	\$ 23.00
Water Letter	Non-Binding Water Availability Letter	\$ 23.00
Lien Fees	Kitsap County Recording Fees Plus 1 Hour Labor	TMO

New Service Connection

General Facilities Charge	Applied Equally to All Connections	\$ 5,698.00
Local Facilities Charge	Typical Lot Size Front Footage	\$ 1,419.00
Meter Installation Charge	3/4" Standard Domestic Meter	\$ 2,045.00
TOTAL CONNECTION CHARGE		\$ 9,162.00
3/4" Meter Only	Developer Installed Service Line ("Drop-in")	\$ 523.00
1" Meter Only	Developer Installed Service Line ("Drop-in")	TMO
1 1/2" & Above	Large Meter Installation	TMO
Suspended Service Restoration	Pursuant to Resolution 2017-01	\$ 523.00

Staff also presented various rate structure models with different percentage increases to the rate tiers, and new service connection fees. Information on current inflationary trends was presented using the Consumer Price Index and Engineering News Record indices.

Following discussion, the Board suggested minor revisions to the proposed Schedule and directed staff to present a revised Schedule at the next Board meeting.

- 4.0 **FY 2020 Human Resources Initiatives** – Staff presented a series of goals and human resources initiatives for FY 2020. Based on the Bureau of Labor Statistics' Consumer Price Index inflationary data, staff recommended a cost-of-living allowance (COLA) of 2.2-percent for all employees effective January 1, 2020. In addition to the COLA, staff recommended continuing incentives for individual professional growth accomplishments, such as acquiring job-related certifications and licenses. Staff also recommended minor adjustments to on-duty standby pay. The Board was reminded that all of the initiatives put forth are based on current revenue projections and would not require any rate modification to achieve these goals.
- 5.0 **WSUD Intertie Update** – Staff reviewed informal discussions from the past regarding the possibility of creating an intertie between the District and WSUD on Nevada Avenue in the Manchester Heights area. This proposed intertie would flow water through a metered pressure reducing station from the District to WSUD. The connection would provide WSUD with an emergency source of supply for their northern pressure zone. Prior to construction, a feasibility study would need to be performed including engineering services and a cost benefit analysis. WSUD staff have informally expressed a desire to explore the proposal further and District staff will update the Board on any future discussions.

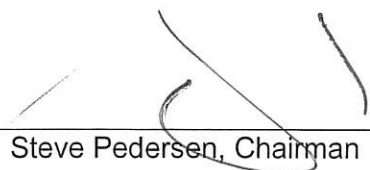
No formal Board action was taken during the course of the planning session.

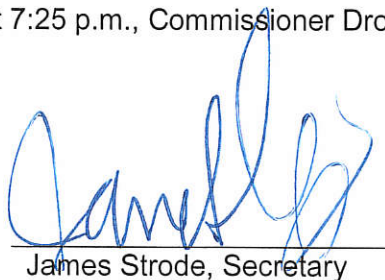
6.0 **Future Meeting Dates**

- 6.1 December 10, 2019, 5:30 p.m. – Regular Meeting, Manchester Library
6.2 January 14, 2020, 5:30 p.m. – Regular Meeting, Manchester Library
6.3 February 11, 2020, 5:30 p.m. – Regular Meeting, Manchester Library

7.0* **Adjournment**

There being no further business to come before the Board, Commissioner Strode moved to adjourn the meeting at 7:25 p.m., Commissioner Drotz seconded; *the motion carried unanimously.*


Steve Pedersen, Chairman


James Strode, Secretary


Paul Drotz, Commissioner