

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

January 9, 2018

REGULAR MEETING

- 1.0 **Call to Order** - Board Chair Steve Pedersen called the regular meeting of the Manchester Water District Board of Commissioners (Board) to order at 5:36 p.m. Commissioners James Strode and Paul Drotz were also present. District staff members in attendance were Dennis O'Connell, General Manager; Scott Wolf, Operations Foreman; and Erin Civilla, Accounting Specialist. Attorney Ken Bagwell was also present, as were Manchester residents Paul Gilligan and Joe Guariz.
- 2.0 **Oath of Office** – Attorney Ken Bagwell administered the oath of office to Commissioner Pedersen pursuant to his election to another term last November.
- 3.0* **Election of Officers** – Commissioner Drotz nominated Commissioner Pedersen for Board chair and Commissioner Strode as secretary. Commissioner Strode seconded and **the motion carried unanimously**.
- 4.0* **Consent Agenda** – *Staff recommended approval of the consent agenda as presented.*
 - 4.1 **Approval of December 12, 2017, Regular Meeting Minutes**
 - 4.2 **Approval of Vouchers** – Approval for payment of these vouchers included General Fund vouchers totaling \$83,235.49, and a Street Light Fund voucher totaling \$2,091.45. The vouchers included a \$48,548.60 progress payment for the Spring Street Workshop retaining wall project.
 - 4.3 **Approval of District Payroll Affidavit**

Commissioner Strode moved to approve the consent agenda as presented. Commissioner Drotz seconded and **the motion carried unanimously**.
- 5.0 **Public Comment** – No public comment was offered.
- 6.0 **Regular Agenda**
 - 6.1 **Manganese Treatment RFP Review** – In June of 2017, the District published a Request for Proposals (RFP) to design a manganese treatment system for the Well 10 source of supply. Seven different engineering firms submitted proposals, and staff presented information on the various designs and plans. Engineer's cost estimates for the project varied with each design and ranged from \$265,000 to \$1,700,000. Five of the seven proposals included utilizing an ATEC pressure filtration system using pyrolusite media. Strategies for

managing backwash water and sediment included settling ponds, steel tanks, and even backwash water recycling. In anticipation of the ATEC system proposals, staff included funding for an ATEC pilot study in the FY 2018 Budget. Once a final selection has been made from all of the proposals submitted, staff will contact the selected firm and begin to negotiate a services agreement for final design and engineering services. Staff anticipates that planning and engineering will last through all of 2018. Once final engineered drawings are complete, a bid package will be assembled and the project advertised. The funding mechanism for the project is yet to be determined, but will likely be in the form of a low interest loan from the Drinking Water State Revolving Fund (DWSRF).

No formal Board action was requested.

- 6.2* **Surplus Vehicle Sale Update** – In July of 2017, the District adopted Resolution 2017-02, declaring the District’s 2007 Chevrolet Colorado service truck as surplus. The minimum bid established for a private sale was \$5,000. The truck has since been advertised and no bids were submitted. As stated in the resolution, the minimum bid requirement may be waived if sold at public auction. Based on input from Field Operations staff and the lack of response to previously placed advertisements, staff was seeking authorization to either lower the minimum bid requirement, or sell the surplus vehicle through Stoke’s Public Auction in Port Orchard. Following brief discussion and review of Resolution 2017-02, Commissioner Strode moved to authorize the General Manager to amend Resolution 2017-02 to require a minimum bid of \$2,500. Commissioner Drotz seconded, and **the motion carried unanimously**.

6.3 **Review of Financials & Operations**

6.3.1 **Water Sales Data** – Water sales data through December 31, 2017 were reviewed with a total billing of \$91,444 to 1,543 services, and total consumption of 1,497,590 cubic feet. Total revenue from water sales for 2017 was \$1,398,473.

6.3.2 **Income & Expense Report** – Staff presented the Income & Expense Executive Summary Report for the period ending December 31, 2017. The ending cash balance was \$ 1,154,763.67 for the same period. Accounting Specialist Erin Civilla also presented slides explaining the discrepancy between the Year-to-Date Net Income total and the Total Fund Balances number reported each month. Due to a time lag in the reporting of Public Employees Retirement Systems (PERS) deductions, the two figures vary slightly at the end each reporting period. Erin explained that although the numbers reported may not balance on the cash basis monthly report, the difference has been accounted for and

the reported totals are true and correct. The presentation was in keeping with staff's ongoing commitment to ensure decision makers have a complete understanding of the reporting methods utilized.

No Board action was requested.

6.3.3 **Operations Update** – Operations Foreman Scott Wolf presented the Operations Update for the period ending December 31, 2017. Staff installed two new services this reporting period, and installed 25 new services in 2017. Staff completed several year-end tasks including physical inventory annual reports. Staff also continued work on building a new well house for Well 5 at the Sedgwick facility. The District produced 14,410,000 gallons in December, and 218,159,000 gallons in 2017. Annual production increased more than 7.7 million gallons over 2016.

6.3.4 **Capital Improvements and Developer Extension Updates** – Staff reported that the Spring Street Workshop retaining wall has been poured and should be complete by the next Board meeting. There was no activity to report on developer extensions.

7.0 Executive Agenda

7.1 **Administrative Update** – Staff reported that Service Technician's Apprentice Kati Ray has completed her first month on the job and is off to a great start. Staff informed the Board that Kitsap County Public Works (County) has awarded a contract for the installation of a new sewer system on Yukon Harbor Drive and Colchester Drive. Work is scheduled to begin in late February and is expected to last through the summer. The County will also be repaving California Avenue from Mile Hill Drive to Chester Road in 2018. District staff will coordinate with the paving crew to raise more than 80 valve cans located within the scope of work. Staff also reminded the commissioners of the upcoming Commissioners Workshop on January 27th.

7.2 **Board of Commissioners' Comments** – Board Chair Pedersen reminded the General Manager that he will request an executive session next month to discuss work performance.

8.0 Future Meeting Dates

- 8.1 January 27, 2018, 9:00 a.m. – Commissioners Workshop, Tukwila
- 8.2 February 13, 2018, 5:30 p.m. – Regular Meeting, Manchester Library
- 8.3 March 13, 2018, 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 7:30 p.m.

Steve Pedersen,
Chairman

James E. Strode,
Secretary

Paul Drotz
Commissioner