

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

October 24, 2017

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 5:27 p.m. Commissioners Paul Drotz and James Strode 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 excused. Public guests included Bob and Raj Ballard of Manchester Realty.
- 2.0* **Spring St. Property for Sale Update** - Board Chair Pedersen asked Mr. Ballard if he would address the Board regarding real property adjacent to the Field Operations Complex recently listed for sale by owner.

Mr. Ballard reported that the vacant lot directly north of the Field Office has been listed for sale by owner for \$109,000. The lot is currently zoned as Manchester Village Residential (MVR) and although Kitsap County is not accepting applications to rezone the property at this time, a Conditional Use Permit (CUP) may be obtainable through an application and public hearing process. Mr. Ballard also stated that the asking price for the property is reasonable considering the value of comparable building lots in the area.

Board Chair Pedersen stated that because the lot is contiguous with existing District property, staff should explore making an offer on the property contingent on a feasibility study of a CUP for the site.

Commissioner Drotz also expressed interest in acquiring the property if doing so could benefit the District's long-term need for additional space.

Commissioner Strode expressed concern over the timing of the expenditure given the current Spring Street Workshop construction project, but agreed that further research into acquiring the lot is justified.

After further discussion, Commissioner Strode moved to authorize Mr. Ballard to draft an offer of \$85,000 for the property with a 40-day feasibility study period, pending a consultation meeting with the Kitsap County Department of Community Development (DCD). Commissioner Drotz seconded and **the motion carried unanimously**. Staff agreed to schedule a consultation with DCD as soon as possible, and provide an update at the next meeting of the Board on November 14th.

2.0 **FY 2018 Budget Initiatives** – During previously held business meetings and planning sessions, staff projected water sales for 2018 to be \$1,320,000. Combined with with a projected fund balance of \$834,318 at the close of 2017, and miscellaneous revenue from other sources, such as new meter sales and wireless communications leases, staff projected total working capital for FY 2018 to be \$2,397,418. Staff summarized their projections using the following budget spreadsheet:

Projected Revenue / Working Capital	\$	2,397,418.00
Human Resources	\$	745,000.00
Professional Services	\$	25,860.00
Administrative	\$	182,000.00
Operations & Maintenance	\$	232,000.00
Capital Outlay	\$	100,000.00
Spring St Workshop	\$	400,000.00
Well 10 Manganese Treatment Design	\$	110,000.00
Harper Estuary Contingency	\$	10,000.00
	\$	<u>1,804,860.00</u>
Debt Service	\$	102,558.00
PROJECTED TOTAL FUND BALANCE		\$ 490,000.00

Following discussion regarding the reserve fund balance, staff continued their presentation. No formal Board action was requested.

4.0 **FY 2018 Capital Improvement and Capital Outlay** – For 2018, staff identified capital improvement project (CIP) goals totaling \$520,000. They are as follows:

Spring Street Workshop Construction	\$400,000
Well 10 Manganese Treatment Design and Pilot Test	\$110,000
Harper Estuary Contingency	\$ 10,000

Capital outlay objectives for 2018 include the following:

Service Vehicle Purchase	\$ 50,000
Forklift Purchase	\$ 15,000
Smart Meter Conversion Program	\$ 10,000
Construction, Computer and Pumping Plant Equipment	\$ 25,000

Following brief discussion regarding each of the stated goals and objectives, the Board encouraged staff to move forward with drafting a budget outlining the proposed expenditures. Further discussion will continue during the November regular business and planning session meetings.

5.0 **Future Meeting Dates**

- 5.1 November 14, 2017, 5:30 p.m. – Regular Meeting, Manchester Library
- 5.2 November 28, 2017, 5:30 p.m. – Special Meeting, Field Operations Complex
- 5.3 December 12, 2017, 5:30 p.m. – Regular Meeting, Manchester Library

6.0* **Adjournment**


There being no further business to come before the Board, the Commissioners moved to adjourn the meeting at 7:22 p.m.



Steve Pedersen,
Chairman



James E. Strode,
Secretary



Paul Drotz
Commissioner