

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

## PURSUANT TO GOVERNOR INSLEE'S STAY HOME – STAY HEALTHY ORDER MEETING WAS HELD VIA VIDEO/TELECONFERENCE

October 27, 2020

### 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 5:36 p.m. Attending via video/teleconference were Commissioners Steve Pedersen, Bob Ballard, and Paul Drotz. District staff present included Dennis O'Connell, General Manager; Erin Civilla, Accounting Specialist, and Scott Wolf, Operations Foreman. Attorney Ken Bagwell was excused. Meeting notices included the videoconference access number and pass code; however, there were no public guests included by telephone or video.

2.0 **Projected FY 2020 Income & Expense** – Staff presented spreadsheets projecting fourth quarter revenue and expense totals for 2020. Staff projected that water sales for the year would exceed \$1,460,000, and along with \$77,000 in wireless communication lease revenue would contribute to an overall total of \$2,523,794. Total expense for the year is projected to be \$1,754,776. Staff projected a net surplus of \$769,018. Using this projected balance forward at the end of FY 2020, staff can then begin to build a budget for FY 2021.

Staff advised the Board that as in previous years, staff will prepare a FY 2021 Budget that builds on existing resources that do not include any changes to current rate structure and new service connection fees. Staff will also solicit input from the Board during regular meetings and planning sessions as we move toward adoption of a budget for the coming year.

Staff then outlined specific goals for 2021 which included further implementation of the District's asset management program, a third party review of the District's salary administration program, updates to our meter reading software and data collection device, and new paint and flooring in the administrative office. Operations and maintenance objectives for 2021 include completion of the Spring Street Workshop mezzanine and exterior recoat of Sedgwick tank. Both of these projects were scheduled for completion in 2020; however, staffing challenges and restrictions related to the COVID-19 pandemic significantly impacted operations in 2020. New projects slated for 2021 include securing financing and soliciting bids for manganese treatment at Well 10, installation of an intertie with West Sound Utility District on Nevada Avenue in the Manchester Heights area, addition of generator switchgear at the Field Operations Complex, and extensive beautification of the California Tank site front footage. Complete summaries of each objective will be included in the FY 2021 Budget document.

Each of these goals was discussed and staff reminded the Board that there will be opportunity to exchange ideas at subsequent meetings prior to the planned budget adoption in December.

3.0 **Projected FY 2021 Water Sales Revenue** – Based on historical data and consumption trends, staff projected water sales revenue for FY 2021 to be \$1,480,000. This estimate was formulated using existing rate structure and does not include revenue that may be gained or lost as a result of rate modifications.

4.0 **FY 2021 Total Resources** - Based on projected 2021 revenue from all sources and including the projected \$769,018 balance forward from 2020, staff estimated total revenue for FY 2021 at \$2,449,118. Using this total of all resources, staff will project expenses and prepare a complete FY 2021 Budget Executive Summary at upcoming meetings and planning sessions. The following FY 2021 revenue summary was presented:

FY 2020 Balance Forward	\$ 769,018.00
Water Sales	\$ 1,480,000.00
Penalties & Fees	\$ 6,000.00
Streetlight Revenue	\$ 27,000.00
Investment Income (Interest)	\$ 1,500.00
Satellite Systems	\$ 2,100.00
Port of Manchester	\$ 10,000.00
Rental Revenue (Wireless Leases)	\$ 61,000.00
Jobbing Labor	\$ -
Meter Sales	\$ 92,000.00
Miscellaneous	\$ 500.00
	\$ 2,449,118.00

5.0 **COVID-19 Review & Planning** – Staff presented an update on the fiscal impact to the District of the ongoing COVID-19 pandemic. Expenses year-to-date include labor hours of staff isolation and modified shift schedules, purchase of personal protective equipment and supplies, ratepayer assistance program bill stuffers, and Field Operations Office furnishings and modifications. As of September 30<sup>th</sup>, total cost to the District was \$61,188.83. Following discussion, staff agreed to continue tracking expenses resulting directly from the pandemic and report back in the future.

Staff reminded the Board that the administrative office remains closed to the public under Governor Inslee’s Phase 2 of the Safe Start Plan. Once Kitsap County advances to Phase 3, the office can reopen to the public with social distancing and face covering requirements in place. Public meetings may still be restricted under Phase 3 with future meetings held virtually. Staff will continue to update the Board as needed.

## 6.0 Future Meeting Dates

- 6.1 November 10, 2020, 5:30 p.m. – Regular Meeting, Video / Teleconference
- 6.2 November 24, 2020, 5:30 p.m. – Special Meeting, Video / Teleconference
- 6.3 December 8, 2020, 5:30 p.m. – Regular Meeting, Video / Teleconference

## 7.0\* Adjournment

There being no further business to come before the Board, Commissioner Drotz moved to adjourn the meeting at 6:44 p.m., Commissioner Ballard seconded; *the motion carried unanimously.*

---

Steve Pedersen  
Board Chair

---

Paul Drotz  
Secretary

---

Bob Ballard  
Commissioner