

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

January 11, 2022

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 5:31 p.m. Commissioner Bob Ballard and Commissioner-elect Jim Strode were also present. District staff present was Dennis O’Connell, General Manager. Attorney Ken Bagwell and two Manchester residents were also present. There were no guests signed in via ZOOM Meetings on the virtual meeting platform.
- 2.0 **Oath of Office** – Attorney Ken Bagwell administered the oath of office to Commissioner James “Jim” Strode, elected last November to Manchester Water District No.11 – Commissioner Position 3.
- 3.0 **Election of Officers** – Commissioner Strode moved to maintain current commissioner officers. Commissioner Ballard seconded and **the motion carried as follows:**
Board Chair: Steve Pedersen
Secretary: Jim Strode
Commissioner: Bob Ballard
- 4.0* **Consent Agenda** – *Staff recommended approval of the consent agenda as presented.*
 - 4.1 **Approval of December 14, 2021, Regular Meeting Minutes**
 - 4.2 **Approval of Vouchers** – Approval for payment included General Fund vouchers totaling \$80,443.11, and a streetlight voucher totaling \$1,896.29.
 - 4.3 **Approval of District Payroll Affidavit**

Commissioner Ballard moved to approve the consent agenda as presented.
Commissioner Pedersen seconded and **the motion carried unanimously.**
- 5.0 **Public Comment** – No public comment was offered.
- 6.0 **Regular Agenda**
 - 6.1* **Port of Manchester Interlocal Agreement** – In July of 2006, the Port of Manchester (Port) entered into an interlocal agreement (ILA) with the District for accounting and administrative services performed by the District upon request from the Port. In April of 2012, the scope of the agreement was expanded to include emergency repairs and maintenance of Port facilities utilizing District personnel and assets. Over time, staff has noted that the scope of services provided has expanded beyond the original intent of the agreement. In some cases, the cost to the District exceeds the billable hourly rate currently charged.

At the District’s December meeting, staff presented a revised ILA that reconsiders many of

the tasks performed by the District and reduces the scope of work performed back to the original intent of the agreement. Under the revised ILA, the District would continue as the primary point of contact for the public. Basic accounting services would still be offered, and the District office would still serve as a point of sale for annual launch passes. Billing the Port for these services would continue at the hourly rate published in the District's Schedule of Fees & Charges. Emergency repairs to Port facilities would still be performed, but only after a formal service order has been requested by the Port. This extra step over current practices would provide an audit trail and avoid future billing disputes.

Staff presented the revised ILA to the Port during their regular business meeting on Monday, January 10th. The Port Commission was receptive to the idea of a revised ILA and understood the reasoning behind the changes. The revised ILA was signed at the Port meeting as requested.

Staff then presented the signed ILA to the District commissioners for their signature. Following discussion, staff agreed to assist the Port as needed to implement the changes. The District General Manager will also train other District staff members on preparing the essential documents for the Port's monthly meetings. The goal is to meet the Port's needs in an efficient and economical way and provide the best possible service to the community.

Board Chair Pedersen then executed the ILA as presented.

6.2 Project Update – Well 10 – Solar – Olympiad – Staff presented updates on three projects currently in progress. The first project discussed was the Well 10 Manganese Treatment Project. As applications for project funding are in process, staff will use the engineered drawings and District personnel to begin preparing the site for further development. The primary goal is to establish perimeter fence lines on the south and west sides of the property and construct permanent access gates for the site. This will involve removing several trees, grubbing and site grading. Once road grade and approach are determined, District staff will install fencing, gates and landscaping.

The next project discussed was the installation of solar panels at the Spring Street Workshop. Staff stated that they would be meeting with representatives from the Washington State Department of Commerce (DOC) and South Sound Solar on January 12th, via a virtual meeting platform. The meeting was scheduled at the request of the DOC to review the Contract Intake Instructions established by the DOC. Following discussion, staff agreed to report back on the progress of the project at future meetings.

The third project discussed was Kitsap County's culvert replacement project on Olympiad Drive. To accommodate a new larger culvert and salmon passage, a section of water main on Olympiad Drive east of Nokomis Road will have to be relocated. Staff has met with representatives from Trenchless Construction Services to design a directional bore under the proposed culvert. The bore would include 8-inch HDPE water main and allow for the salmon habitat improvements without compromising water quality or fire protection with dead-end mains. Staff will keep the Board updated on project developments.

No formal Board action was requested.

6.3 Review of Financials & Operations

- 6.3.1 **Water Sales Data** – Water sales data through December 31, 2021, were reviewed with a total billing of \$99,791 to 1,556 services, and total consumption of 10,335,512 cubic feet. For the year 2021, the District billed \$1,640,303 for 213,141,059 cubic feet of consumption.
- 6.3.2 **Income & Expense Report** – The Income & Expense Report for the period ending December 31, 2021, was presented. The total fund balance at the end of this reporting period was \$1,192,681.65.
- 6.3.3 **Operations Update** – The Operations Update for the period ending December 31st was presented. The crew completed our annual physical inventory of parts and supplies in December. Despite holiday schedules and staffing challenges, the crew was able to convert eight more meters to AMR technology last month. The last week of the year brought heavy snow and ice with prolonged freezing temperatures. The weather made travel difficult and kept crew members busy with frozen pump controls, level indicators, and customer service calls for frozen pipes. All water quality samples submitted in December were satisfactory. The District produced 15,747,000 gallons for this reporting period. We closed out 2021 with a total production of 237,598,000 gallons for the year. That is an increase of 7.7-percent over the previous year.
- 6.3.4 **Capital Improvements and Developer Extension Update** – None

7.0 Executive Agenda

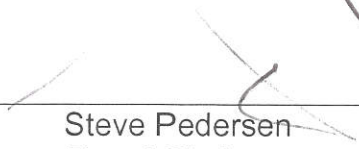
- 7.1 **Administrative Update** – No further update was offered.
- 7.2 **Board of Commissioners' Comments** – No further comments were offered.


8.0 Future Meeting Dates

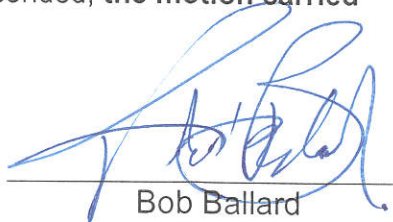
- 8.1 February 8, 2022, 5:30 p.m. – Regular Business Meeting, Spring Street Workshop
- 8.2 March 8, 2022, 5:30 p.m. – Regular Business Meeting, Spring Street Workshop
- 8.3 April 12, 2022, 5:30 p.m. – Regular Business Meeting, Spring Street Workshop

9.0* Adjournment

There being no further business to come before the Board, Commissioner Ballard moved to adjourn the meeting at 6:46 p.m., Commissioner Strode seconded; **the motion carried unanimously.**


Steve Pedersen
Board Chair


James Strode
Secretary


Bob Ballard
Commissioner