

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

PURSUANT TO GOVERNOR INSLEE'S SAFE START PROCLAMATION, MEETING WAS CONDUCTED VIA VIDEO/TELECONFERENCE

May 11, 2021

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 5:30 p.m. Commissioners Bob Ballard and Paul Drotz were also present. District staff present were Dennis O'Connell, General Manager, and Scott Wolf, Operations Foreman. Attorney Ken Bagwell was also present. Erin Civilla, Accounting Specialist; was excused. Meeting notices included the video/teleconference access number and pass code; however, there were no public guests present by telephone or video.
- 2.0* **Consent Agenda** – *Staff recommended approval of the consent agenda as presented.*
 - 2.1 **Approval of April 13, 2021, Teleconference Meeting Minutes**
 - 2.2 **Approval of Vouchers** – Approval for payment included General Fund vouchers totaling \$ 29,465.64, and two street light vouchers totaling \$ 3,787.52.
 - 2.3 **Approval of District Payroll Affidavit**

Commissioner Ballard moved to approve the consent agenda as presented. Commissioner Drotz seconded; **the motion carried unanimously.**

- 3.0 **Public Comment** – No comment was offered.

4.0 **Regular Agenda**

- 4.1* **Newsletter & Consumer Confidence Report Review** - Presented for Board review and approval was the *revised* Spring 2021 Annual Newsletter and Consumer Confidence Report (CCR). As required by regulation, the CCR is published annually through direct mailing, posted on the District website, and available to any interested party. The CCR contains information regarding water quality sampling and results for reporting year 2020.

The newsletter portion is published for informational purposes only and is intended to inform District ratepayers of current events at the District and water use efficiency data. In response to input from the Board, staff has added a Commissioners' Corner section including a message from the Board. The newsletter/CCR will be included as a bill stuffer with the April/May and May/June billing cycles. Following brief discussion, Commissioner Drotz moved to approve publishing the newsletter and CCR as presented. Commissioner Ballard seconded and **the motion carried unanimously.**

- 4.2* **Sedgwick Tank Recoat Bid Results** - On March 30th, staff solicited bids to recoat the Sedgwick Tank. This project was originally slated for completion in 2020; however, due to the pandemic emergency, the work was never completed. On May 4th, sealed bids submitted were opened during a virtual Zoom meeting including all interested parties. The following are the results of the bid opening.

1	Cascade Industrial Services	\$ 45,235.00
2	Coastal Services, Inc.	\$ 47,960.00
3	National Industrial	\$ 53,542.65
4	Purcell P & C	\$ 55,590.00
5	Columbia Industrial Coatings	\$ 59,536.89
6	Industrial Coatings Unlimited	\$ 59,814.50
7	Long Painting Company	\$ 67,115.66
8	Sabelhaus West	\$ 68,872.09
9	J Linder Painting	\$ 91,314.75
10	Molecular, Inc.	\$ 116,773.88

Staff reported they are vetting the lowest three bidders to ensure their documents are in order. Cascade Industrial Services was the lowest bidder for the project, but as of the meeting, staff was still not able to secure a meeting date with their representative. Staff was requesting authorization to execute the project contract with the lowest qualified bidder. Following discussion, the Board agreed that an unresponsive bidder may be disqualified. Commissioner Ballard moved to authorize the General Manager to execute a contract for the work with the lowest qualified bidder. Commissioner Drotz seconded, and **the motion carried unanimously**.

- 4.3 **Streetlight Conversion R.O.I. Report** - Beginning in 2016, the District began converting more than 160 existing high-pressure sodium (HPS) streetlights to more efficient light emitting diode (LED) lights. The goal of the project was to improve overall lighting efficiency and reduce annual operating costs. The cost of converting to LED lamps was originally estimated at \$30,513.13, with annual savings on operating costs projected to be \$7,862.88. Using these estimates, the return on investment would have been 3.88 years.

The conversion was completed over a 3-year period ending in 2018. During that time, staff was able to secure reimbursement grants through Puget Sound Energy (PSE) reducing the actual project cost to \$20,909.71. During the 5-year period ending December 31, 2020, operating costs were reduced by \$6,557.58, which represents a 31-percent return on investment thus far. By completing the project over a 3-year period, the actual return on investment will take longer. However, despite annual rate increases from PSE, the District has already been able to defer rate increases for streetlighting to our customers. Depending on future rate increases on energy costs, staff projects a complete return on investment by the end of 2023. Staff also agreed to report back on the project annually.

No formal Board action was requested.

4.4 Review of Financials & Operations

- 4.4.1 **Water Sales Data** – Water sales data through April 30, 2021 was reviewed with a total billing of \$109,501 to 1,557 services, and total consumption of 13,121,925 cubic feet.
- 4.4.2 **Income & Expense Report** – The Income & Expense Report for the period ending April 30, 2021 was presented. The total fund balance at the end of this reporting period was \$1,008,719.17.
- 4.5.3 **Operations Update** – The Operations Update for the period ending April 30, 2021 was presented. Staff reported that annual flushing was the priority in April. The crew also restored a service on Taylor Street that had been modified to prevent water theft from a delinquent tenant. The property has been sold and all past due fees were paid in full. All water quality samples submitted in April were satisfactory. The District produced 16,830,000 gallons for this reporting period.
- 4.6.4 **Capital Improvements and Developer Extension Update** – None

5.0 Executive Agenda


- 5.1 **Administrative Update** – Staff explained that as we transition out of meeting restrictions established during the COVID-19 pandemic, the District will need to reexamine how public meetings are conducted. The meeting room at the Manchester Library is not available for the foreseeable future due to remodeling. Many districts have established a hybrid meeting model in which elected officials and management staff may meet in person, virtual meeting accommodations are also offered for members of the public to observe and interact remotely. Following discussion, staff agreed to schedule virtual ZOOM meetings for the remainder of 2021, and work toward creating meeting space in the new Spring Street workshop. Staff will report back at the June meeting with further information on future meetings.
- 5.2 **Board of Commissioners' Comments** – As part of the interlocal agreement between the District and the Port of Manchester, the District General Manager attends the Port's monthly meetings to present financial reports and project administration updates. Board Chair Pedersen expressed concern regarding staff members' presence at Port of Manchester (Port) Commission meetings held in the library, despite of the lack of proper accommodations. Staff agreed to discuss the matter further with the Port commissioners and review the interlocal agreement. Staff will then report back with recommendations for future meetings.

6.0 **Future Meeting Dates**


- 6.1 June 8, 2021, 5:30 p.m. – Regular Meeting, Video Teleconference
- 6.2 July 13, 2021, 5:30 p.m. – Regular Meeting, Video Teleconference
- 6.3 August 10, 2021, 5:30 p.m. – Regular Meeting, Video Teleconference

7.0* **Adjournment**

There being no further business to come before the Board, Commissioner Ballard moved to adjourn the meeting at 6:45 p.m., Commissioner Drotz seconded; **the motion carried unanimously.**



Steve Pedersen
Board Chair



Paul Drotz
Secretary



Bob Ballard
Commissioner