

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

July 11, 2023

## 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. Commissioner Bob Ballard was present, and Commissioner James Strode was present via ZOOM. District General Manager Dennis O’Connell and Attorney Ken Bagwell were also present, along with one guest from the public.
- 2.0 **Consent Agenda** – *Staff recommended approval of the consent agenda as presented.*
  - 2.1 **Approval of June 13, 2023, Regular Meeting Minutes**
  - 2.2 **Approval of Vouchers** – Presented for payment approval were General Fund vouchers totaling \$50,807.41 were also presented.
  - 2.3 **Approval of District Payroll Affidavit** – Tax and benefit payment vouchers for this reporting period totaling \$40,516.72 was also presented.

Commissioner Ballard moved to approve the consent agenda as presented. Commissioner Strode seconded, and **the motion carried unanimously.**

- 3.0 **Public Comment** – Staff spoke on behalf of two customers that wished to appeal their individual leak rate adjustment calculations. Customer One at the address of 1693 Yukon Harbor Road received a bill for \$373.23 for their January-February billing cycle. The high consumption bill was the result of a leak at the address that occurred on Christmas Day. In accordance with the District’s Leak Rate Adjustment Policy adopted as Resolution 2003-12, the customer’s bill was reduced nearly 40-percent to \$200.28. Following discussion, the Board voted unanimously to deny further reduction of the bill, stating that the adjustment was calculated correctly and must be applied equally to all customers. Customer Two was also seeking further reduction of their bill for the address of 1943 Miracle Mile Drive. In this case a “water heater failure” resulted in a total billing of \$203.87, which was reduced to \$140.35 using the same calculating formula as prescribed in the Leak Rate Adjustment Policy. Again, the Board voted unanimously to deny the customer appeal for further reduction of the bill citing the same reason as above.

## 4.0 **Regular Agenda**

- 4.1 **Engrossed Substitute House Bill (ESHB) 1329- Extreme Heat Law** – Effective July 23, 2023, Washington State ESHB 1329 restricts utility service providers from disconnecting service to residential users during extreme heat events. Under the new provisions, “a utility providing water or electricity to residential customers may not effect, due to lack of payment, an involuntary termination of utility service to any residential user, including tenants of metered apartment buildings and residents of mobile homes, on any day for which the National Weather Service has issued or announced that it

intends to issue a heat-related alert, such as an excessive heat warning, a heat advisory, or an excessive heat watch, or a similar alert, for the area in which the residential user's address is located.”

Staff solicited input from the Board regarding revisions to the District's shut-off policy for delinquent accounts that will ensure compliance with ESHB 1329. Following discussion, staff agreed to present a new resolution modifying our existing rules for the application of fees, penalties, and shut-offs at the next Board meeting.

*No formal Board action was requested.*

- 4.2 **L & I Outdoor Heat Exposure Rules Update** – On June 27, 2023, the Washington State Department of Labor and Industries (L&I) adopted updates to Outdoor Heat Exposure rules to prevent heat-related illness and reduce traumatic injuries associated with heat exposure. Employers are required to provide adequate shade or cooling locations, cool drinking water, and appropriate rest periods depending on temperature thresholds. Employees are considered exposed to heat at outdoor temperatures in excess of 80-degrees Fahrenheit. At temperatures above 90-degrees, employers must provide 10-minute cool down rest periods every two hours. At temperatures above 100-degrees, employers must allow 15-minute cool down periods every hour. Employers must also establish a written heat exposure policy and training for all employees. Staff advised the Board that a new written policy regarding employee heat exposure will be presented at the August meeting for their review.
- 4.3 **PEBB HCA Benefit Cost Update** – As of July 1, 2023, the average cost per employee for HCA healthcare plans has risen from \$1,262.00 per month to \$1,289.00 per month. In the past, the District has endeavored to provide a contribution for healthcare equal to the average plan cost for the employee only. The District FY 2023 Budget adopted last December included a contingency for an anticipated increase in healthcare costs. If the District maintains our current practice, the additional cost will equal \$1,782.00 for the year. Unless otherwise directed, staff will adjust the District's monthly contribution accordingly. Following discussion, the Board chose not to make any changes to the District contribution as presented.
- 4.4 **Review of Financials & Operations**
- 4.4.1 **Water Sales Data** – Water sales data through June 30, 2023, was reviewed with a total billing of \$157,517 to 1,572 services, and total consumption of 2,700,091 cubic feet or 20,196,681 gallons. This consumption total was 6,517,751 gallons more than the same billing period in 2022.
- 4.4.2 **Income & Expense Report** – The Income & Expense Report for the period ending June 30, 2023, was presented. The total fund balance at the end of this reporting period was \$1,111,395.29.
- 4.4.3 **Quarterly Adjustment Report** – Presented for Board consideration was the 2023 2<sup>nd</sup> Quarter Billing Adjustment Report. For the reporting period from April 1, 2023, to June 30, 2023, the District issued -\$3,788.54 in billing corrections;

and -\$1,111.94 leak rate adjustments. There were also -\$91.90 in late fees and assessments reversed due to extenuating circumstances, such as failed mail deliveries, estate sales delays, etc. Following brief discussion, the Board approved the adjustments as presented.

- 4.4.4 **Operations Update** – The crew installed four new services in June and has several more in the queue for next month. The crew also converted six more meters to AMR technology. The crew also repaired a service line leak on Nightingale.

In addition to high demand, the District's Well 6 pump motor failed after just one year in service. To keep up with demand, the crew utilized Well 10 by blending the water with other sources to mitigate water quality concerns. All PFAS sampling by District staff and U.S. Navy contractors has been completed. All District sources of supply (wells) tested negative for any traces of PFAS in the water.

All bacteriological water samples collected were satisfactory. The District produced 24,584,000 gallons in June, which was 6,037,000 more gallons than during June of 2022.

- 4.4.5 **Developer Extension Update** – Ten new services were sold in the Woods View development after years of delays. Staff will monitor the project and keep the Board informed of any further progress.

## 5.0 **Executive Agenda**

- 5.1 **Administrative Update** – Staff reported that Lead Service Technician Trina Scholer has been awarded a full tuition scholarship for backflow assembly testing training from the 2023 Fred Delvecchio BAT Professional Growth Award recipient. Staff has authorized full compensation for her to attend the workshop and associated examination day. The Board asked staff to congratulate Trina on her selection and thank her for her initiative to continue her professional growth.

During the June meeting, the Board authorized staff and Attorney Ken Bagwell to negotiate terms of the lease agreement with Verizon Wireless at the California Tank site. Staff created an income projection spreadsheet reaching out to the year 2040. In a letter dated May 31, 2023, Verizon Wireless (Verizon) proposed a modification of their current lease agreement for wireless communications at the California Tank site. Currently, Verizon leases space at the site for \$1,361.33 per month, with a 3-percent annual increase. To meet their criteria for Verizon's "long-term lease portfolio", they are seeking a modification in terms to \$1,000.00 per month rent, with a 3-percent annual increase; but with the next increase on September 1, 2028. They are also requesting an option of six additional 5-year renewal terms. Prior to agreeing to any lease modification, staff recommended the Board authorize the

General Manager and Attorney Ken Bagwell to represent the District during negotiations of any modified lease terms. Following brief discussion, Commissioner Strode moved to authorize the General Manager and Attorney Ken Bagwell to represent the District during lease negotiations with Verizon. Board Chair Pedersen seconded, and **the motion carried unanimously.**

5.3 **Board of Commissioners Comments** – No further comment was offered.

6.0 **Future Meeting Dates**

- 6.1 August 8, 2023, 5:30 p.m. – Regular Meeting, Spring Street Workshop
- 6.2 September 12, 2023, 5:30 p.m. - Regular Meeting, Spring Street Workshop
- 6.3 September 26, 2023, 5:30 p.m. – Special Meeting, Field Operations Office

7.0 **Adjournment**

There being no further business to come before the Board, Commissioner Ballard moved to adjourn the meeting at 6:48 p.m. Commissioner Strode seconded, and **the motion carried unanimously.**



Steve Pedersen  
Board Chair



James Strode  
Secretary



Robert Ballard  
Commissioner

*\* Indicates action item*