

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

November 24, 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 5:30 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 also present. Meeting notices included the videoconference access number and pass code; however, there were no public guests included by telephone or video.

Due to technical difficulties, there was a delay in starting the presentation. Staff was able to proceed at 5:48 p.m.

2.0 **Budget Prep Review** – Staff reviewed specific goals for 2021 which included further implementation of the District's asset management 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 two projects carried over from FY 2020; including completion of the Spring Street Workshop mezzanine and exterior recoat of Sedgwick tank. 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.

3.0 **FY 2021 HR Initiatives** – Staff presented information on a series of human resources (HR) initiatives aimed at attracting and retaining qualified employees able to provide the best possible service to District customers. For FY 2021, staff proposed a cost-of-living-allowance (COLA) for all employees reflective of current inflationary trends. The Consumer Price Index for Urban consumers (CPI-U) depicts a 1.6-percent increase in the cost of living over the previous year. In addition to a COLA wage increase of 1.6-percent for all employees, qualified employees may be eligible for merit raises of 3-percent or more.

Another initiative proposed by staff for FY 2021 is a comprehensive third-party review of the District's salary administration program. By reviewing the District's compensation levels, performance evaluation methods, and professional growth incentives, the District can gain a better understanding of future needs and expectations. The District's current salary administration program was established in 2003 and is reviewed in-house on an annual basis.

4.0 **FY 2021 Budget Summary Review** - Based on staff recommendations and Board input during previous meetings and planning sessions, the following proposed FY 2021 Budget Executive Summary was presented:

FY 2020 Balance Forward	\$	769,018.00
REVENUE		
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
	\$	<u>2,449,118.00</u>
EXPENSE		
Human Resources	\$	914,000.00
Professional Services	\$	20,000.00
Administrative	\$	225,000.00
Operations & Maintenance	\$	325,000.00
Streetlights	\$	27,000.00
Satellite Systems	\$	500.00
Port of Manchester	\$	10,000.00
Rental Expense	\$	-
Jobbing	\$	-
Developer Extension Payback	\$	-
Capital Improvement Projects	\$	250,000.00
Capital Outlay	\$	60,000.00
Debt Service	\$	99,716.00
	\$	<u>1,931,216.00</u>
BALANCE FORWARD	\$	517,902.00

Following further discussion, staff agreed to draft a complete budget document based on the summary presented. The complete budget and adopting resolution will be presented to the Board at the December regular business meeting.

5.0 **Rate Structure Models** – Staff presented historical data on District rate modifications adopted over the past 10 years, along with proposed rate modification models for FY 2021. Staff also recommended modifications to the District’s Schedule of Fees & Charges (Schedule) including the hourly rate for jobbing labor performed by District staff; account maintenance service fees based on hourly labor rates; and new service connection fees adjusted for inflation.

The following Schedule was presented for Board consideration:

Manchester Water District
Schedule of Fees & Charges
 Effective January 1, 2021

Rate Structure

Base & Consumption Rates
 Per 2-Month Billing Cycle

Rate Tier	Consumption in Cubic Feet 100 Cubic Feet (HCF) = 748 Gallons	Cost / (HCF)
Base	0	\$ 41.50
Tier 1	0 - 800	\$ 2.24
Tier 2	801 - 3000	\$ 2.81
Tier 3	3001 - 6000	\$ 3.99
Tier 4	6001 & Above	\$ 4.88
Lights	Street Lighting District Customers Only	\$ 4.50

Service Fees & Account Maintenance

Late Fee	Refer to Application of Fees Policy	10%
Door Tag	Shut-Off Notice Notice Delivered to Door	\$ 24.50
Shut-Off	Shut-Off and Restoration of Service	\$ 49.00
NSF Fee	Non-Sufficient Funds / Returned Check	\$ 40.00
Closing	Final Meter Read and Closing Bill	\$ 24.50
Water Letter	Non-Binding Water Availability Letter	\$ 24.50
Lien Fees	Kitsap County Recording Fees Plus 1 Hour Labor	TMO

New Service Connection

General Facilities Charge	Applied Equally to All Connections	\$ 5,795.00
Local Facilities Charge	Typical Lot Size Front Footage	\$ 1,445.00
Meter Installation Charge	3/4" Standard Domestic Meter	\$ 2,250.00
TOTAL CONNECTION CHARGE		\$ 9,490.00
3/4" Meter Only	Developer Installed Service Line ("Drop-in")	\$ 575.00
1" Meter Only	Developer Installed Service Line ("Drop-in")	TMO
1 1/2" & Above	Large Meter Installation	TMO
Suspended Service Restoration	Pursuant to Resolution 2017-01	\$ 575.00

Service Maintenance Fees

After Hours	Non-Emergency Service Call (Minimum)	\$	147.00
Tampering	Unauthorized Consumption (1st Offense)	\$	100.00
Tampering (2)	Unauthorized Consumption (2nd Offense)	\$	200.00
Restoration	Reinstall Meter After 2nd Offense	\$	147.00
Termination	Removal of Service and Meter from Property		TMO
Damages	Necessary Repairs as a Result of Tampering		TMO

Fire Hydrant Use

Hydrant Meter Deposit	Refundable Upon Return of Meter	\$	500.00
Hydrant Meter Daily Rental	\$75.00 Monthly Maximum	\$	5.00
Hydrant Meter Consumption	Per Hundred Cubic Feet		Tier 3
Unauthorized Hydrant Use	Penalty Assessed Per Day	\$	500.00

Miscellaneous Fees & Charges

Jobbing Labor Rate	Straight Time Hourly	\$	49.00
Jobbing Labor Rate	Overtime Hourly	\$	73.50
Bacteriological Test	Water Sample Collected and Tested	\$	92.00
Other Water Quality Tests	Collection and Lab Fees		TMO
Project Inspection (Hourly)	Developer Extension & Improvements	\$	49.00
Developer Extension Manual	District Specifications	\$	24.50
Copier & Fax Usage	Price per Page	\$	0.20
Satellite System Management	By Individual Contract		~

Following discussion, staff agreed to prepare an adopting resolution for the next regular business meeting and to conduct a local survey of fee structures in the coming weeks.

No formal Board action was requested during this planning session meeting.

6.0 Future Meeting Dates

- 6.1 December 8, 2020, 5:30 p.m. – Regular Meeting, Video Teleconference
- 6.2 January 12, 2021, 5:30 p.m. – Regular Meeting, Video Teleconference
- 6.3 February 9, 2021, 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 6:46 p.m., Commissioner Ballard seconded; *the motion carried unanimously.*

Steve Pedersen
Board Chair

Paul Drotz
Secretary

Bob Ballard
Commissioner