

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

December 12, 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 5:34 p.m. Commissioner Bob Ballard was present and Commissioner James Strode attended remotely via Zoom. District General Manager Tony Lang, District Consultant Dennis O'Connell, and Attorney Ken Bagwell were also present, along with one guest from the public.

2.0* **Consent Agenda**

2.1 **Approval of November 14, 2023, Regular Meeting Minutes**

2.2 **Approval of November 28, 2023, Special Meeting Minutes**

2.3 **Approval of Vouchers** - Presented for payment approval were General Fund vouchers totaling \$60,406.25.

2.4 **Approval of District Payroll Affidavit(s)** – Wages and benefit affidavits were presented.

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

3.0 **Public Comment** – No public comment was presented.

4.0 **Regular Agenda**

4.1* **Adoption of Resolution 2023-04 Approving the FY 2024 Manchester Water District Budget - Tony Lang**

Presented for Board consideration was Resolution 2023-04, approving and adopting the FY 2024 Budget. GM Lang presented a PowerPoint presentation to the Board that described the main discussion points held during previous Regular and Special sessions that are reflected in the proposed 2024 Budget. Next year's Budget includes appropriations for Human Resource initiatives, such as a 4.8-percent Cost of Living Allowance (COLA) for all employees and a District contribution (up to \$100/month) for all employees who participate in the State's Deferred Compensation Plan; Capital Improvement Projects including Well 5R's construction on Sedgwick Road; and Capital Outlay funding to replace a service vehicle. The FY 2024 Executive Summary lists total resources and revenue of \$3,007,336, and total expenses of \$2,356,475, with a projected balance forward to be carried over to 2025 of \$650,861. A brief discussion was held between staff and the Board. The Board was comfortable with approving the FY 2024 Budget as presented.

*Staff recommended Adoption of Resolution 2023-04 approving the FY 2024 District Budget as presented. Commissioner Strode moved to approve. Commissioner Ballard seconded, and **the motion passed unanimously.***

4.2* **Adoption of Resolution 2023-05 Amending the District's Schedule of Fees and Charges for FY 2024 – Tony Lang**

Presented for Board consideration was Resolution 2023-05, approving and adopting the FY 2024 Schedule of Fees & Charges. GM Lang presented the 2024 modifications to the Board in a PowerPoint presentation reflecting the proposed changes. Each year, the Board reviews and considers the necessity of modifications to the District's Schedule of Fees & Charges (Schedule). This year, the Board requested a \$1.00 per month increase to the base rate charge applicable to all billing accounts, and a 7-percent adjustment to each of the four rate tiers used to calculate commodity (water consumption) charges. As an example, the net increase to a 1,751 cubic foot water bill would be \$2.82 per month, or about a 6-percent net increase. Given the annual inflation rate through October 2023 of 4.8-percent, the Board determined that this rate modification is necessary to offset current inflationary trends. In addition to the rate modification, new service connection fees will also be adjusted to offset increases in construction costs. The cost of a new service connection in 2024 will be \$10,810.00, up from \$10,600.00 in 2023. This equals a 2.5-percent increase for new service connections. The Board and staff had a short discussion regarding the proposed modifications. The Board indicated they were comfortable moving forward with the 2024 Schedule of Fees & Charges as presented.

Staff recommended Adoption of Resolution 2023-05 approving and amending the District's Schedule of Fees and Charges for FY 2024 as presented. Commissioner Strode moved to approve. Commissioner Ballard seconded, and the motion passed unanimously.

4.3* **Adoption of Resolution 2023-06 Approving Revisions to the District Employee Manual – Tony Lang**

Presented for Board consideration was Resolution 2023-06, adopting revisions to the District Employee Manual. GM Lang indicated that the proposed revisions to the employee manual are a result of Human Resource initiatives presented in the FY 2024 Budget. Since the FY 2024 Budget was adopted earlier during this Board meeting, revisions to the District Employee Manual are required to reflect these Human Resource modifications. Proposed modifications to the District Employee Manual include a District contribution to the Washington State Deferred Compensation Program of up to \$100.00/month for all employees who participate in the program. District contributions shall be a dollar-for-dollar match for each employee up to \$100 per month / \$1,200 per year and shall not exceed \$9,600 per year based on the District's current staffing level of 8 employees. A Legacy Group retention incentive was also proposed as part of the FY 2024 Budget to assist in the retention of exceptional staff. Employees who have completed 5 years of service with the District shall be awarded a 1% annual increase to their base wage, and employees that have completed 10-years of service shall be awarded a 1.5% annual increase to their base wage. After completion of the 10th year of service, the previous 1% annual increase shall convert to 1.5% annually thereafter. The Board indicated they were comfortable moving forward with the Employee Manual revisions as presented.

Staff recommended Adoption of Resolution 2023-06 Approving Revisions to the District Employee Manual as presented. Commissioner Strode moved to

approve. Commissioner Ballard seconded, and the motion passed unanimously.

4.4 **Review of Financials & Operations-**

4.4.1 **Water Sales Data** – Water sales data through November 30, 2023, was reviewed with a total billing of \$138,011 to 1,899 services, and total consumption of 1,814,037 cubic feet or 13,568,997 gallons. This consumption total was 1,429,540 gallons less than the same billing period in 2022.

4.4.2 **Income & Expense Report** – The Income & Expense Report for the period ending November 30, 2023, was presented. The total fund balance at the end of this reporting period was \$1,232,448.43.

4.4.3 **Operations Update** – GM Lang reported that operations staff upgraded one (1) manual meter to AMR and replaced three (3) water meter boxes in addition to the District's normal regulatory sampling requirements. Staff also installed a 1" tap and saddle to replace the preexisting ¾" saddle to a home on Bulman Rd. In addition, field staff replaced a malfunctioning check valve at a residence on Wilson Creek Rd.

The Operations team installed a fire hydrant on Bulman Rd at the Well 4 site during November as well. This installation is a public benefit for the local community as there was no preexisting hydrant located on Bulman for potential fire suppression efforts. The crew worked as a team from the initial planning discussions to the final backfilling and erosion control implementation. The hydrant installation was a great learning experience for new technicians regarding the process and steps required in planning a project and to ensure its overall success.

California Tank II was refilled and put back online after the contractor completed painting the exterior of the reservoir. This was a weeklong process to ensure that we were adequately refilling the tank, but also providing sufficient water pressure to the surrounding residential neighborhood. Once the tank was filled, staff took an investigative bacteriological sample to ensure the water in the tank met State drinking water standards. The investigative bac-t sample was negative so the tank is back online and currently in service.

Also in November, the crew repaired a significant service line leak at the intersection of Southworth Dr and Young Hill. The leak was 3 to 4 feet deep in a roadside stormwater ditch that made the repair difficult to access and to investigate the source of the leak. The crew also fought stormwater runoff running into the work area while repairing the service line issue making the repair that much more difficult. They did an outstanding job and ultimately persevered as they were able to fix the source of the leak the same day.

4.4.4 **Developer Extension Updates** – There were no Developer's Extension updates to report.

5.0 Executive Agenda

- 5.1 **Administrative Update** – GM Lang communicated to the Board that an outside organization has contacted the District about buying the telecommunications leases from the District that it has at the California reservoirs site. Lang stated that the lump sum cash offer for consideration is not in the best interest of the District. The District will retain these reservoir sites for a long period of time and the total amount offered is not commensurate to what the District will receive in annual payments from the telecommunication organizations over a 30-year timeframe. The Board concurred that the District is not currently in a bad financial situation and that entertaining the offer at this time is not something the Board would like to pursue.

GM Lang stated that Verizon Wireless has contacted the District about their current lease and the communications equipment that is affixed to the California water tanks. They inquired about the possibility of welding anchors for their communication equipment to the tanks. The representative stated that if they could not weld to the tank then Verizon may terminate the lease and move their equipment to another site they have been researching. Staff communicated their concerns about welding to the tank. Potential structural damage may occur or the possibility that the welds may burn through the tank wall and interior coating. Staff and the Board discussed possible connection methods and concluded that Verizon needs to submit a proposal for Board, legal, and staff review before making any determination.

Lang discussed Commissioner training that is a requirement of RCW 42.56.150 and RCW 42.30.205 for newly elected officials regarding Washington State Public Records Act (PRA) and Open Public Meetings Act (OPMA). Lang advised that Paul Drotz for the Port of Manchester and any Water District Commissioner that has not had the training in the last four years would need refresher training. It was concluded, after a brief discussion, that Lang would set up a training session for all Commissioners who need the training with attorney Ken Bagwell, early in 2024.

Lang talked about the upcoming June 2024 American Water Works Association (AWWA) Conference in Anaheim, CA. He requested that the Commissioners let him know who is interested so he can start planning travel arrangements for the June conference.

Lang expressed his gratitude and appreciation for outgoing General Manager Dennis O'Connell. He stated that Dennis has been a pleasure to work with and that he is appreciative of Dennis's effort to make the transition as seamless as possible. Dennis has served the Manchester Water District for over 28-years and his knowledge and leadership will be missed.

- 5.2 **Board of Commissioners' Comments** – The Board expressed their appreciation and gratitude for outgoing General Manager Dennis O'Connell. They enjoyed the many years of working with Dennis and are glad to see him be able to enjoy retirement. Congratulations Dennis!!

6.0 **Future Meeting Dates**

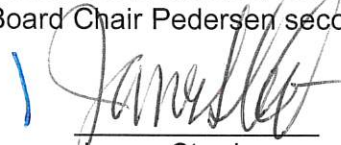
- 6.1 January 9, 2024, 5:30 p.m. - Regular Meeting, Spring Street Workshop
- 6.2 February 13, 2024, 5:30 p.m. - Regular Meeting, Spring Street Workshop
- 6.3 March 12, 2024, 5:30 p.m. - Regular Meeting, Spring Street Workshop

7.0* **Adjournment**

There being no further business to discuss, Commissioner Ballard moved to adjourn the meeting at 6:31 PM. Board Chair Pedersen seconded, and **the motion carried unanimously.**



Steve Pedersen
Board Chair



James Strode
Commissioner



Robert Ballard
Commissioner

** Indicates action item*