

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

November 14, 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 5:31 p.m. Commissioner Bob Ballard and Commissioner James Strode were both present. 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 October 10, 2023, Regular Meeting Minutes**

2.2 **Approval of October 24, 2023, Special Meeting Minutes**

2.3 **Approval of Vouchers** - Presented for payment approval were General Fund vouchers totaling \$181,299.31, and Street Light Fund vouchers totaling \$1,879.46.

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 one chose to provide public comment.

4.0 **Regular Agenda**

4.1* **Adoption of Resolution 2023-03 Authorizing the General Manager to Exclude the District from the PFAS Settlement Agreements with Dupont and 3M - Tony Lang/Ken Bagwell**

General Manager Lang discussed the District's eligibility to participate in a class action lawsuit that Public Water Systems across the country have filed against firefighting foam manufacturers Dupont and 3M. Firefighting foam is the leading cause for per- and polyfluoroalkyl substances (PFAS) found in water resources that may be linked to harmful health effects in humans and animals. Lang explained the potential drawback from the District participating in the preliminary settlement agreement. Since the District has no reportable detection of PFAS in any of its wells at this time, the only compensation the District would receive would be future costs associated with further regulatory PFAS testing, and would limit future legal action if the District eventually detects PFAS within its water resources. District Attorney Ken Bagwell explained that if the District chooses to file a "Request for Exclusion" for both settlement agreements, it would allow the District to seek legal action against Dupont and 3M in the future if the District

eventually detects PFAS within its potable water resources.

*Staff recommended Adoption of Resolution 2023-03 authorizing the General Manager to exclude the District from the settlement agreements with Dupont and 3M. Commissioner Strode moved to approve. Commissioner Ballard seconded, and **the motion passed unanimously.***

4.2 **FY 2024 Projected Expenses – Tony Lang**

GM Lang presented a PowerPoint and discussed the District's projected revenue for FY 2024. Anticipated revenue for 2024 is projected to be \$3,007,336. Projected expenses for 2024 were then discussed, along with the Board and staff having a conversation regarding the District's various Capital Improvement Projects. FY 2024 expenses are projected to be \$2,356,475. Anticipated retained earnings at the end of 2024 are estimated to be \$650,861. Lang explained that the projected revenue for 2024 was calculated to be conservative, while the calculated expenses were very ambitious and intentional. Revenues may come in higher than anticipated due to higher water or meter sales than projected, while the projected expenses may be lower than anticipated due to lack of staff and contractor availability during the calendar year. Currently, the calculated retained earnings for the end of 2024 are higher than the Government Finance Officers Associations (GFOA) recommended minimum guidelines of \$579,657, which is two months of the District's regular operating revenue. Lang explained that if the Board is comfortable with the current calculated retained earnings for the end of 2024, the District would be in a good financial position at the beginning of 2025 based on the conservative approach to revenues and ambitious approach to expenses.

4.3 **Review of Financials & Operations-**

- 4.3.1 **Water Sales Data** – Water sales data through October 31, 2023, was reviewed with a total billing of \$144,637 to 1,571 services, and total consumption of 2,349,590 cubic feet or 17,574,933 gallons. This consumption total was 1,530,692 gallons more than the same billing period in 2022.
- 4.3.2 **Income & Expense Report** – The Income & Expense Report for the period ending October 31, 2023, was presented. The total fund balance at the end of this reporting period was \$1,307,277.38.
- 4.3.3 **Operations Update** – GM Lang reported that operations staff upgraded fourteen (14) smart read meters to AMR and two (2) manual meters to AMR this month while balancing normal regulatory sampling requirements.

During October, field staff installed the CIC cable required to obtain Wi-Fi for the Port's security cameras. The cable was installed in a trench that staff excavated from E. Daniels Loop to the breaker panel located in the middle westerly median of the parking lot. The crew also installed the NEMA enclosure required to house the modem and other equipment to get the Port's cameras online. In addition, the commemorative 100-year anniversary plaque for the Port was inset and installed into a large rock. The rock was placed on the northern side of

the walkway at the Pomeroy Park entrance. Staff also installed the new "STRICTLY PROHIBITED" signs that were fabricated due to the Port's desire to modify the verbiage in Resolution 7-23.

All the field crew participated in cleaning the interior of the California II storage tank this month prior to the contractor painting the exterior. Staff started refilling the tank on October 29 and will be submitting an investigative sample to Spectra Labs to make sure the water quality is up to Department of Health standards.

Staff spent a week flushing the north high zone this month due to water quality issues from discoloration. This issue is more than likely a result from the period of time that Well 10 was online when the motor at Well 6 was being replaced. Since the flushing, water quality issues have seemed to improve and no customer complaints have been received.

The landscaping trailer was also winterized this month. Trina took the lead on pulling all the equipment out, cleaning and winterizing the equipment, and even decided to replace the linoleum tile floor that was peeling up. She scraped the glue off the subfloor and decided that painting the floor with a durable garage floor paint would hold up better than replacing the floor with new linoleum. Great job to Trina for identifying the need and taking ownership of the project!!

- 4.3.4 **Developer Extension Updates** – There were no Developers Extension updates discussed.

5.0 **Executive Agenda**

- 5.1 **Administrative Update** – GM Lang updated the Board on the Anchors Condo Owners Association (COA) upcoming budget ratification on Thursday night. Anchors COA manages the condos where the District has its main administrative office. The District owns and conducts business out of its suite on the northern side of Building B. He reported that the proposed COA dues for 2024 will increase by 33%, resulting in a \$145.23 per month increase. The District's monthly dues payment will increase from \$444.50 to \$589.73 per month. This results in annual dues payments totaling \$7,080 per year, a \$1,743 increase from the previous year. Staff and the Board had a brief discussion regarding Anchors COA increasing their annual dues over 30% in each of the last couple of years. GM Lang informed the Board that the President of the COA had mentioned to him that they need a commercial representative on the COA Board for 2024. Lang sought the Board's opinion on him serving on the COA's Board. The Board stated that it was up to Lang if he wanted to serve on the COA's Board, but thought that attending their Board meetings, as an attendee, was sufficient to keep up with what was happening with the COA.

- 5.2 **Board of Commissioners' Comments** – No further comment was offered.

6.0 **Future Meeting Dates**

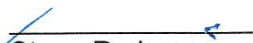
- 6.1 November 28, 2023, 5:30 p.m. - Special Meeting, Field Operations Office

6.2 December 12, 2023, 5:30 p.m. - Regular Meeting, Spring Street Workshop

6.3 January 9, 2024, 5:30 p.m. - Regular Meeting, Spring Street Workshop

7.0* **Adjournment**

There being no further business to discuss, Commissioner Strode moved to adjourn the meeting at 7:01 PM. Commissioner Ballard seconded, and **the motion carried unanimously.**



Steve Pedersen
Board Chair

James Strode
Commissioner



Robert Ballard
Commissioner

* *Indicates action item*