

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

November 28, 2023

## 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. 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. No members of the public were in attendance.

## 2.0 **Special Agenda**

### 2.1 **FY 2024 HR Initiatives**

General Manager Lang presented the District's HR Initiatives for the upcoming FY 2024. Board and staff discussed the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) published inflation rate of 4.8% for Seattle-Tacoma-Bellevue from October 2022 to October 2023. Starting January 1, 2024, GM Lang would like to administer a 4.8% cost of living (COLA) adjustment to District employees' base wages. Historically, the District has modeled employee COLA adjustments to be in alignment with the CPI-U for Seattle-Tacoma-Bellevue. All three commissioners agreed that a 4.8% COLA increase for employees was practicable.

GM Lang presented hypothetical models reflecting a "Legacy" incentive for employees that stay with the District for 10 years or more. This proposed incentive is an effort to encourage and retain employees for longer periods of time. He suggested a 1% increase to an employee's base wage that has completed 10-years of service, and a 1.5% increase after completion of 15-years, until an employee's separation of employment. Board Chair Pedersen stated that he would like a Legacy incentive to start sooner than 10-years to encourage employees to stay with the District. After a discussion with staff, the Board agreed to start the Legacy incentive of 1% after 5-years of service, and a 1.5% incentive after completion of 10-years of service, until separation of employment.

GM Lang also requested that the District offer a match incentive for employees contributing to the Deferred Compensation Program. Lang suggested the District match an employee's contributions "dollar-for-dollar" up to \$100/month. If all employees contributed \$100/month to the program, the maximum fiscal impact to the District would be \$9,600. All three commissioners were agreeable to move forward with this incentive and the presented matching contribution amount.

### 2.2 **FY 2024 Schedule of Fees & Charges**

The District's current water rates were discussed. A comparison to neighboring jurisdictions in Kitsap County was presented. The District has the second lowest bill total, out of the 5 that were used for comparison, based on an average bill of 1,751 cubic feet. To keep up with inflation, GM Lang suggested a \$2.00 base fee increase along with a 7% commodity increase. The financial impact for rate

payers on a 1,751 cubic foot bimonthly bill would be approximately \$5.63, or an increase of 5.9%. This total bill increase may be higher or lower depending on the amount of water that is used by an individual residence. After a brief discussion with staff, the Board agreed on the proposed increases as presented.

Service Connection Fees were then discussed. GM Lang suggested a 2.5% increase to the General Facilities Charge (GFC) and to the Local Facilities Charge (LFC). These increases are based on the Engineering New Record's Construction Cost index inflation rate of 2.5% for November 2023. There was no suggestion to increase the Meter Installation Charge in 2024. The Board agreed they were all comfortable to increase the GFC and LFC for 2024 as presented. Cumulative Connection Fees will increase from \$10,600 to \$10,810.

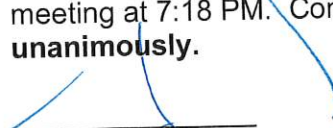
GM Lang discussed the Jobbing Labor Rate for the District and how it is annually calculated. He stated it is based on the average hourly wage and benefit costs for all District employees. This fee is what the District charges to the Port of Manchester for day labor at the Port, and the hourly rate the District charges rate payers for Door tag fees, Shut-off fees, etc. GM Lang recommended an increase of \$4.00 to the Jobbing Labor Rate in 2024. The current rate of \$52/hour would increase to \$56/hour. All three commissioners agreed this increase was acceptable for 2024.

### 3.0 Future Meeting Dates

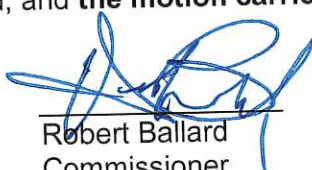
- 3.1 December 12, 2023, 5:30 p.m. – Regular Meeting, Spring Street Workshop
- 3.2 January 9, 2024, 5:30 p.m. - Regular Meeting, Spring Street Workshop
- 3.3 February 13, 2024, 5:30 p.m. – Regular Meeting, Spring Street Workshop

### 4.0\* Adjournment

There being no further business to discuss, Commissioner Strode moved to adjourn the meeting at 7:18 PM. Commissioner Ballard seconded, and **the motion carried unanimously.**

  
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Steve Pedersen  
Board Chair

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James Strode  
Commissioner

  
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Robert Ballard  
Commissioner

\* Indicates action item