

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

December 13, 2022

## 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. Commissioners Bob Ballard and James Strode were also present. District staff present was Dennis O’Connell, General Manager. Attorney Ken Bagwell was also present virtually via ZOOM. There were two guests from the public in attendance.
  
- 2.0 **\*Consent Agenda** – *Staff recommended approval of the consent agenda as presented.*
  - 2.1 **Approval of November 8, 2022, Regular Meeting Minutes**
  - 2.2 **Approval of November 22, 2022, Special Meeting Minutes**
  - 2.3 **Approval of Vouchers** – Approval for payment included General Fund vouchers totaling \$70,930.60. A street light voucher for \$1,898.52 was also presented.
  - 2.4 **Approval of District Payroll Affidavit** – Tax and benefit payment vouchers for October 2022, totaling \$36,108.02 was also presented.

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

- 3.0 **Public Comment** – No public comment was offered

### 4.0 **Regular Agenda**

- 4.1\* **Resolution 2022-02 – FY 2023 Budget** - Presented for Board consideration was Resolution 2022-02, adopting the FY 2023 budget. Included in your meeting packet is the FY 2023 Budget (Budget) message and executive summary. The Budget includes appropriations for human resource initiatives, such as an 8.9-percent cost of living allowance for all employees; capital improvement projects including a new well at the Well 5 site on Sedgwick Road, and capital outlay funding to replace a service vehicle which was not delivered in 2022. The Budget was created with input from the Board and staff shared during multiple meetings and special planning sessions held throughout the fall. The Budget is intended to serve as a guide for staff and decision makers allocating resources throughout the year. It also informs the public how resources are allocated and critical goals are achieved. The Budget summary lists total resources and revenue of \$3,006,086, and total expenses of \$2,405,010, with a projected balance forward to be carried over to 2024 of \$601,076. The complete FY 2023 Budget Executive Summary is as follows:

## FY 2023

### Income & Expense Executive Summary Report

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FY 2022 Balance Forward	\$	1,194,036
<b>REVENUE</b>		
Water Sales	\$	1,600,000
Penalties & Fees	\$	6,000
Streetlight Revenue	\$	25,000
Investment Income (Interest)	\$	600
Satellite Systems	\$	1,200
Port of Manchester	\$	10,000
Rental Revenue (Wireless Leases)	\$	49,000
Jobbing Labor	\$	-
Meter Sales	\$	120,000
Miscellaneous	\$	250
	\$	<u>3,006,086</u>
<b>EXPENSE</b>		
Human Resources	\$	1,157,410
Professional Services	\$	26,000
Administrative	\$	271,000
Operations & Maintenance	\$	305,000
Streetlights	\$	25,000
Satellite Systems	\$	600
Port of Manchester	\$	4,000
Rental Expense	\$	-
Jobbing	\$	-
Developer Extension Payback	\$	-
Capital Improvement Projects	\$	425,000
Capital Outlay	\$	92,000
Debt Service	\$	99,000
	\$	<u>2,405,010</u>
<b>BALANCE FORWARD</b>	<b>\$</b>	<b>601,076</b>

Following brief discussion, Commissioner Strode moved to adopt Resolution 2022-02 as presented. Commissioner Ballard seconded and **the motion carried unanimously.**

- 4.2\* **Resolution 2022-03 – FY 2023 Schedule of Fees & Charges** - Presented for Board consideration was Resolution 2022-03, adopting the FY 2023 Schedule of Fees & Charges. 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 2,000 cubic foot water bill would be \$2.90 per month, or about 6-percent net increase. Given the annual inflation rate through October of 2022 was 8.9-percent, the Board determined that this rate modification was 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. If adopted, the cost of a new service connection will be \$10,600.00, up from \$9,852.00 in 2022. This equals a 7.6-percent increase for new service connections.

Following discussion, Commissioner Ballard moved to adopt Resolution 2022-03 as presented. Commissioner Strode seconded and **the motion carried unanimously.**

- 4.3\* **Prothman Services Agreement** – The Prothman Company (Prothman) is an executive recruiting service once used by the District to recruit the previous General Manager, Alan Fletcher. Recently, the Board directed staff to submit a request for proposal (RFP) with Prothman to recruit a replacement for the current general manager. Included in the meeting packet was a proposal outlining a scope of work and estimated cost to begin the process. The estimated cost of the work is \$18,500.00, with target completion date of spring 2023. Staff was seeking authorization to execute the services agreement as presented.

Following discussion, Commissioner Strode moved to authorize the General Manager to execute the services agreement as presented. Commissioner Ballard seconded and **the motion carried unanimously.**

Board Chair Pedersen then directed staff to invite a representative from Prothman to the next Board meeting in January.

#### 4.4 **Review of Financials & Operations**

- 4.4.1 **Water Sales Data** – Water sales data through November 30, 2022, was reviewed with a total billing of \$135,181 to 1,882 services, and total consumption of 2,005,152 cubic feet or 14,998,537 gallons.
- 4.4.2 **Income & Expense Report** – The Income & Expense Report for the period ending November 30, 2022, was presented. The total fund balance at the end of this reporting period was \$1,226,748.36.

4.4.3 **Operations Update** – The month of November marked the return of winter weather and all the challenges that go with it. Well 2 power lines were damaged when a tree fell across the lines in Duncan Creek. This is the only site with District-owned power poles and overhead power lines, and the power pole on the south side of the creek will need to be replaced. In the interim, Well 1 will be the primary source of supply to the North Low Zone. Between storms, the crew was able to install a new service bringing the total new service installations for the year to 27. The crew was also able to address specific corrections requested by the Office of Drinking Water following their sanitary survey of District facilities. All water samples collected in October were satisfactory, and the District produced 14,703,000 gallons of water.

4.4.4 **Capital Improvements** – No updates to report.

4.4.5 **Developer Extension Update** - No updates to report.

## 5.0 **Executive Agenda**

5.1.1 **Administrative Update** – No further update was offered

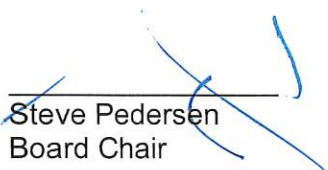
5.1.2 **Board of Commissioners Comments** – No additional comment was offered.

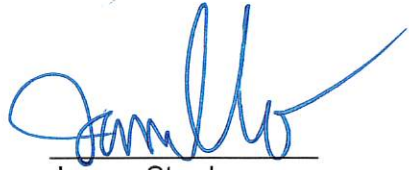
## 6.0 **Future Meeting Dates**


- 6.1 January 10, 2023, 5:30 p.m. – Regular Meeting, Spring Street Workshop
- 6.2 February 14, 2023, 5:30 p.m. – Regular Meeting, Spring Street Workshop
- 6.3 March 14, 2023, 5:30 p.m. – Regular Meeting, Spring Street Workshop

## 7.0 **Adjournment**

There being no further business to come before the Board, Commissioner Strode moved to adjourn the meeting at 7:03 p.m. Commissioner Ballard seconded, and **the motion carried unanimously.**

  
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Steve Pedersen  
Board Chair

  
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James Strode  
Secretary

  
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Robert Ballard  
Commissioner

*\* Indicates action item*