**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF**

**MANCHESTER WATER DISTRICT**

December 14, 2021

**REGULAR MEETING**

1. **Call to Order** – Board Chair Steve Pedersen called the regular meeting of the Manchester Water District Board of Commissioners (Board) to order at 5:33 p.m. Commissioners Bob Ballard and Paul Drotz were also present. District staff present was Dennis O’Connell, General Manager. Attorney Ken Bagwell was also present. Manchester residents Paul Nuchims and Raj Ballard were also in attendance.

 2.0\* **Consent Agenda** – *Staff recommended approval of the consent agenda as presented.*

2.1 **Approval of November 9, 2021, Regular Meeting Minutes**

2.2 **Approval of November 23, 2021, Special Meeting Minutes**

2.3 **Approval of Vouchers** – Approval for payment included General Fund vouchers totaling $94,423.10, including a $9,038.38 deposit on a new HVAC unit for the Field Operations Office. Also presented was a streetlight voucher totaling $1,896.29.

2.4 **Approval of District Payroll Affidavit**

Commissioner Drotz moved to approve the consent agenda as presented. Commissioner Ballard seconded and **the motion carried unanimously.**

3.0 **Public Comment –** Public guestPaul Nuchims addressed the Board with ongoing concerns regarding stormwater drainage at his property. He asked if District staff notified property owners in advance when work was to be done in the right-of-way fronting their property. Staff agreed that they would notify owners when appropriate.

 Board Chair Pedersen thanked Commissioner Paul Drotz for his service. After seven years on the Board, Paul will be resigning his post in January. The commissioners and staff thanked Paul for his learned counsel and calming demeanor. Paul was presented with a plaque in appreciation of his service.

4.0 **Regular Agenda**

4.1\* **Resolution 2021-01 – FY 2022 Budget Adoption -**  Presented for Board consideration was Resolution 2021-01, Adopting the Manchester Water District Fiscal Year 2022 Annual Budget (Budget). The Budget is the culmination of discussion and input from the Board and staff during regular business meetings and planning sessions held throughout the fall. The Budget is presented in a “cash” format depicting the District’s financial position, including revenue and expense projections for FY 2022.

For FY 2022, staff projected total revenues of $2,838,122, including a balance forward from 2021 of $1,104,072; and total expenses of $2,137,801. Staff projects a reserve balance of all funds totaling $700,321 at the end of 2022.

The Budget includes an Income & Expense Executive Summary Report as follows:



Following brief discussion, Commissioner Drotz moved to adopt Resolution 2021-01 as presented. Commissioner Ballard secondedand **the motion carried unanimously.**

**4.2\* Resolution 2021-02 – FY 2022 Schedule of Fees & Charges** – Also presented for Board consideration was Resolution 2021-02 adopting a revised Schedule of Fees & Charges (Schedule). Included in the revised Schedule was an increase to water rates equivalent to 7-percent for each rate tier. As an example, the net impact of a 7-percent rate tier increase on a 1200 cubic-foot bill would be $1.04 per month.

In the proposed Schedule, new service connection fees were adjusted based on an average of construction cost inflation indices and District job costing for meter installations in 2021. If adopted, the cost of a new service connection in 2022 will be $9,852.00, an increase of $362 over the previous year.

The hourly labor rate that the District charges for contract services is $49.00 and would remain unchanged. The hourly rate is also used to calculate various service and account maintenance fees which would also remain unchanged.

If adopted, the revised Schedule would become effective January 1, 2022. Following discussion, Commissioner Ballard moved to adopt Resolution 2021-02 as presented. Commissioner Drotz seconded and **the motion carried unanimously**.

4.3\* **Port of Manchester Interlocal Agreement** – In July of 2006, the Port of Manchester (Port) entered in to an interlocal agreement (ILA) with the District for accounting and administrative services performed by the District upon request from the Port. In April of 2012, the scope of the agreement was expanded to include emergency repairs and maintenance of Port facilities utilizing District personnel and assets. Over time, staff has noted that the scope of services provided has expanded beyond the original intent of the agreement. In some cases, the cost to the District exceeds the billable hourly rate currently charged.

Presented for Board consideration is a revised ILA that reconsiders many of the tasks performed by the District and reduces the scope of work performed back to the original intent of the agreement. Under the revised ILA, the District would continue as the primary point of contact for the public. Basic accounting services would still be offered, and the District office would still serve as a point of sale for annual launch passes. Billing the Port for these services would continue at the hourly rate prescribed in the District’s Schedule of Fees & Charges. Emergency repairs to Port facilities would still be performed, but only after a formal service order has been requested by the Port. This extra step over current practices would provide an audit trail and avoid future billing disputes.

Following discussion, Board Chair Pedersen directed staff to present the revised ILA to the Port of Manchester Commission at their next scheduled meeting. Staff will report back with input from the Port Commission and any recommended revisions or edits.

*No formal Board action was taken.*

4.4\* **COVID-19 Employee Support Notification** – As the COVID-19 pandemic evolves and new variants are discovered, the District will continue to support employees working through such challenging times. The COVID 19 Employee Support Program (Program) is presented as a means of quantifying the scope of support services offered and clarify the status of District operations regarding the pandemic. The District will continue to encourage all employees to get vaccinated and will provide paid time off for vaccination and booster shot appointments. Staff was seeking authorization to present each employee with a copy of the Program and request acknowledgement from employees as a record of the notification.

Commissioner Drotz moved to authorize the General Manager to notify employees of the COVID-19 Employee Support Program as presented. Commissioner Ballard seconded and **the motion carried unanimously**.

4.5\* **General Manager Employment Contract** - Following numerous conversations with the Board, an amendment to the General Manager’s Employment Agreement was presented. This amendment would modify the existing agreement to reflect changes to the terms and conditions of employment agreed upon during previous executive sessions and planning sessions held throughout the fall. Commissioner Ballard moved to approve the amendment to the General Manager’s employment agreement as presented. Commissioner Drotz seconded and **the motion carried unanimously**.

 4.6 **Review of Financials & Operations**

4.6.1 **Water Sales Data** – Water sales data through November 30, 2021, were reviewed with a total billing of $119,777 to 1,866 services, and total consumption of 12,644,731 cubic feet.

4.6.2 **Income & Expense Report** – The Income & Expense Report for the period ending November 30, 2021, was presented. The total fund balance at the end of this reporting period was $1,145,315.59.

4.6.3 **Operations Update** – The Operations Update for the period ending

 November 30th was presented. Staff installed five new meters in November, bringing the year-to-date total number of new accounts to 14. The crew also added a new inline isolation valve and hydrant isolation valve on Colchester Drive, south of Seaview Road. With the valves installed, the crew was able to replace the hydrant at that location and rebuild an existing service line. Seven more meters were converted to AMR technology last month. The crew also continued to make repairs and improvements to the dump truck, including relocating and installing new LED taillights that are larger and easier to see. All water quality samples submitted in November were satisfactory. The District produced 14,456,000 gallons for this reporting period.

4.6.4 **Capital Improvements and Developer Extension Update** – None

**5.0 Executive Agenda**

**5.1 Administrative Update** – No further update was offered.

**5.2 Board of Commissioners’ Comments – No further comments were offered.**

**6.0 Future Meeting Dates**

6.1 January 11, 2022, 5:30 p.m. – Regular Business Meeting, Spring Street Workshop

6.2 February 8, 2022, 5:30 p.m. – Regular Business Meeting, Spring Street Workshop

6.3 March 8, 2022, 5:30 p.m. – Regular Business Meeting, Spring Street Workshop

7.0**\* Adjournment**

There being no further business to come before the Board, Commissioner Ballard moved to adjourn the meeting at 7:14 p.m., Commissioner Drotz seconded; **the motion carried unanimously.**

 **NOT IN ATTENDANCE**

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|  Steve Pedersen |  | Paul Drotz |  | Bob Ballard |
| Board Chair |  | Secretary |  | Commissioner |