**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF**

**MANCHESTER WATER DISTRICT**

November 26, 2024

**SPECIAL MEETING**

1.0\* **Call to Order -** Board Chair Steve Pedersen called the Tuesday, November 26th, special meeting of the Manchester Water District Board of Commissioners (Board) to order at 5:50 PM. Commissioner Bob Ballard, Secretary Strode, General Manager Tony Lang, and District Attorney Ken Bagwell were present. No members of the public attended in person or virtually via Zoom.

2.0 **Special Agenda**

 2.1 **FY 2025 HR Initiatives**

General Manager Lang presented the District’s HR Initiatives for the upcoming FY 2025. Board and staff discussed the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) published inflation rate of 3.0% for Seatle-Tacoma-Bellevue from October 2023 to October 2024. Starting January 1, 2025, GM Lang would like to administer a 3.0% 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 3.0% COLA increase for employees was acceptable. The total 2025 HR expense discussed at the previous Board meeting was calculated at a 3.0% COLA so no adjustment to the projected 2025 HR total is required.

Lang also reported that the District monthly healthcare contribution for employees will increase to $1,316 per employee in 2025. This amount, per employee, may be updated again in July 2025 as the Public Employee Benefits Board reviews rates twice a year.

Lang also stated that the District plans to send one employee to Commercial Driver’s License School in January 2025, and to send three other employees to Fall Protection Training at Gravitec in February.

 2.2 **FY 2025 Schedule of Fees and Charges**

The District’s current 2024 water rates were discussed. A current rate comparison to neighboring jurisdictions in Kitsap County was presented by Lang. The District has the second lowest water bill total, out of the other 3 water purveyors that were used for comparison, based on an average bill of 1,676 cubic feet. Lang presented hypothetical commodity increases of 5%, 7%, and 9% for comparison purposes. After discussion, the Board agreed that they would like to keep water rates the same as they were in 2024 due to increasing both the base rate and commodity rates in early 2024.

 Service Connection Fees were then discussed. GM Lang suggested a 1.0% 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 1.0% for October 2024. The Meter Installation Charge will increase from $2,261 to $2,395 based on the average total Day Labor Work Orders completed in 2024 and projected wage increases for 2025. Based on these proposed adjustments, cumulative Connection Fees for a ¾” meter will increase from $10,810 to $11,030. The Board agreed they were all comfortable to increase the GFC, LFC, and MIC for 2025 as presented by Lang.

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 2025. The current rate of $56/hour would increase to $60/hour. All three commissioners agreed this increase was acceptable for 2025.

3.0 **Future Meeting Dates**

3.1 December 10, 2024, 5:30 PM – Regular Meeting, Spring Street Workshop

 3.2 January 14, 2025, 5:30 PM – Regular Meeting, Spring Street Workshop

 3.3 February 11, 2025, 5:30 PM – Regular Meeting, Spring Street Workshop

4**.**0\* **Adjournment**

There being no further business to discuss, Secretary Strode moved to adjourn the meeting at 6:31 PM. Commissioner Ballard seconded, and **the motion passed unanimously.**

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 Steve Pedersen James Strode Robert Ballard

 Board Chair Secretary Commissioner

*\* Indicates action item*