



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

November 25, 2025

SPECIAL MEETING

1.0* **Call to Order** - Board Chair Steve Pedersen called the Tuesday, November 25th, special meeting of the Manchester Water District Board of Commissioners (Board) to order at 5:30 PM. Secretary Jim Strode, General Manager Tony Lang, and District Attorney Ken Bagwell were present. Commissioner Bob Ballard arrived at the meeting at 5:40 PM. No members of the public attended in person or virtually via Zoom.

2.0 **Special Agenda**

2.1 **FY 2026 HR Initiatives**

General Manager Lang presented the District's HR Initiatives for upcoming FY 2026. Board and staff discussed the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) published inflation rate of 2.8% for Seattle-Tacoma-Bellevue from August 2024 to August 2025. Starting January 1, 2026, GM Lang would like to administer a 2.8% cost of living (COLA) adjustment to District employees' base wages. Historically, the District has modeled employee COLA adjustments to be aligned with the CPI-U for Seattle-Tacoma-Bellevue from October to October, but the CPI-U for October 2025 still has not been published due to the Government shutdown. All three commissioners agreed that a 2.8% COLA increase for employees was acceptable. The total 2026 HR expense discussed at previous Board meetings was calculated at a 3.0% COLA so no adjustment to the projected 2026 HR total is required.

Lang also reported that the District monthly healthcare contribution for employees will remain at \$1,490 per employee for the first half of 2026. This amount, per employee, may be updated again in July 2026 as the Public Employee Benefits Board reviews rates twice a year.

Lang stated that two employees will be eligible for Legacy Group Incentive pay increases of 1.5% in 2026. Management also plans to send two employees to Commercial Driver's License School sometime during the year.

Lang requested a standby pager pay increase from \$38 per day to \$40 per day, and to continue the District Deferred Compensation contribution match up to \$100 per month per employee. All Board members agreed to the proposed compensation increases for FY 2026.



2.2 FY 2026 Schedule of Fees & Charges

The District's current water rates were discussed. Lang presented a cost comparison of the District's 2025 rates compared to the proposed \$4.50 base rate and 5% commodity increase that was proposed at the last Board meeting. He presented total cost increases based on a 800 CF, 1279 CF, and 3200 CF bimonthly water bill. An average water bill of 1279 CF would increase from \$88.53 to \$94.95, or a \$6.42 increase every other month.

Service Connection Fees were then discussed. GM Lang suggested a 3.2% 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 3.2% for October 2025. The Meter Installation Charge will increase from \$2,395 to \$2,500 based on the average total Day Labor Work Orders completed in 2025 and projected wage increases for 2026. Based on these proposed adjustments, cumulative Connection Fees for a ¾" meter will increase from \$11,030 to \$11,411. The Board agreed they were all comfortable to increase the GFC, LFC, and MIC for 2026 as presented.

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 no increase to the Jobbing Labor Rate in 2026. The current rate of \$60/hour would be maintained. All three commissioners agreed with the proposed changes to the Schedule of Fees & Charges.

3.0 Future Meeting Dates

- 3.1 December 9, 2025, 5:30 PM – Regular Meeting, Spring Street Workshop
- 3.2 January 13, 2026, 5:30 PM – Regular Meeting, Spring Street Workshop
- 3.3 February 10, 2026, 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 6:45 PM. Commissioner Ballard seconded, and **the motion passed unanimously.**

Steve Pedersen
Board Chair

James Strode
Secretary

Robert Ballard
Commissioner

* Indicates action item