

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

November 24, 2015

SPECIAL MEETING

- 1.0 Board Chair Steve Pedersen called the special meeting of the Manchester Water District Board of Commissioners (Board) to order at 5:40 p.m. Commissioners Paul Drotz and James Strode were also present. District staff members in attendance were Dennis O’Connell, General Manager; Scott Wolf, Operations Foreman; and Erin Civilla, Accounting Specialist. Attorney Ken Bagwell was excused, and no guests from the general public were present.

- 2.0 **Dewitt Jones – “There’s More Than One Right Answer”** – Staff finished presenting a video of motivational speaker Dewitt Jones and his concepts for improving individual perceptions of professional and personal achievements.

- 3.0 **FY 2016 Income & Expense Projection Review** – Staff presented the projected FY 2016 Income & Expense Executive Summary and discussed each line item using PowerPoint slides. The Income & Expense Summary is as follows:

FY 2016 Income & Expense Executive Summary Report

REVENUE

FY 2015 Balance Forward	\$ 625,000.00
Water Sales	\$ 1,193,000.00
Street Lighting	\$ 26,000.00
Investment Income (Interest)	\$ 800.00
Satellite System Management	\$ 2,000.00
Port of Manchester	\$ 10,000.00
Rental Revenue	\$ 35,000.00
Jobbing Labor	\$ 600.00
New Meter Sales	\$ 70,000.00
Developer Extension Payback	\$ (29,400.00)
Miscellaneous Revenue	\$ 3,000.00
Loan Proceeds	\$ -

TOTAL REVENUE \$ 1,936,000.00

EXPENSE

Human Resources	\$ 665,000.00
Professional Services	\$ 40,000.00
Administrative	\$ 180,000.00
Operations & Maintenance	\$ 200,000.00
Street Lighting	\$ 26,000.00
Satellite System Management	\$ 2,000.00
Port of Manchester	\$ 10,000.00
Rental Expense	\$ 1,000.00
Capital Outlay	\$ 50,000.00
Capital Projects	\$ 200,000.00
Stormwater Phase III Contingency	\$ 60,000.00
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TOTAL EXPENSE	\$ 1,434,000.00
INCOME BEFORE DEBT SERVICE	\$ 502,000.00
Debt Service	\$ 101,714.00
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PROJECTED TOTAL FUND BALANCE	\$ 400,286.00
<i>(Unrestricted Fund Balance)</i>	

- 4.0 **FY 2016 Budget Summary** – Staff presented a draft copy of the FY 2016 Budget Summary of the introductory narrative of the FY 2016 Budget document. Included in the slides presented was a review of the goals and objectives for 2016. Board Chair Pedersen asked if staff could incorporate the list of goals into the budget document as a quick reference to coincide with the text. Staff agreed to do so.

- 5.0 **FY 2016 Rate Structure Models** – Every year, the Board reviews the current rate structure and the schedule of fees that the District charges for the services it provided. In recent years, the Board has implemented the practice of making small annual maintenance adjustments to our rate structure, as opposed to infrequent, high-impact rate increases. Staff presented slides depicting current and potential rate tier models for fiscal years 2015 and 2016 respectively. The following table depicts the three different consumption rate tier models that were presented to the Board for consideration. None of the scenarios presented included an adjustment to the base rate.

		2015	Plus 3%	Plus 5%	Plus 7%
Base		\$ 35.50	\$ 35.50	\$ 35.50	\$ 35.50
Tier 1	0-800	\$ 1.82	\$ 1.87	\$ 1.91	\$ 1.95
Tier 2	801 - 3000	\$ 2.30	\$ 2.37	\$ 2.42	\$ 2.46
Tier 3	3001 - 6000	\$ 3.26	\$ 3.36	\$ 3.42	\$ 3.49
Tier 4	6001 & Above	\$ 3.98	\$ 4.10	\$ 4.18	\$ 4.26
	1200 C.F. Billing Total	\$ 59.26	\$ 59.94	\$ 60.46	\$ 60.94
	Total Increase (2 months)		\$ 0.68	\$ 1.20	\$ 1.68

Staff also presented income and expense projections for street lighting districts, and new service connection fees. After considerable discussion, staff will prepare a revised Schedule of Fees & Charges for Board consideration at the December 8th meeting.

6.0 Future Meeting Dates

- 6.1 December 8, 2015, 5:30 p.m. – Regular Meeting, Manchester Library
- 6.2 January 12, 2016, 5:30 p.m. – Regular Meeting, Manchester Library
- 6.3 February 9, 2016, 5:30 p.m. – Regular Meeting, Manchester Library

7.0* Adjournment

There being no further business to come before the Board, the Commissioners moved to adjourn the meeting at 7:42 p.m.

Steve Pedersen,
Chairman

James E. Strode,
Secretary

Paul Drotz
Commissioner