

MANCHESTER WATER AND SEWER COMMISSION
May 16, 2024

The Manchester Water and Sewer Commission met on Thursday, May 16, 2024 for a regularly scheduled meeting. Present were: Chairman/Commissioner Anderson, Vice-Chairman/Commissioner Watson, Secretary/Commissioner Hunt, Commissioner Hillsman, Alderman/Vice-Mayor Messick, Mayor Howard, Director Jeff Perry, Acting Director & Assistant Director Raney, Adam Floied, and Billing Office Manager Jennifer Hall.

Absent: None

Late Arrival: None

Chairman Anderson called the meeting to order at 3:00 PM.

1) The minutes of the regular meeting on April 4, 2024, were approved upon a motion by Vice-Alderman/Vice-Mayor Messick, second by Commissioner Hillsman. After a vote was taken, the motion passed 5-0.

2) **Citizen Comments:**

None to report.

3) **Director's Report:**

3.1 **Commissioner Training:**

Broad agreed they liked the web links for the commissioner's training on the Director's report.

3.2 **Sewer Rehab:**

- a) Acting Director & Assistant Director Raney provided an update on the West End Circle pump station replacement project. The plans are in progress.
- b) The sewer televising and cleaning for the interceptors are out for bids currently.

3.3 **Water System Rehab:**

- a) The water line relocation on McArthur Street is wrapping up. All of the new line is in and everyone is hooked up. The old line has been abandoned. The water line relocation is wrapping up and currently working on dress up work. The old hospital location has been metered. At Bartlett Drive, there is valve that comes off the main line and runs down McArthur Street to an old two-inch line that was abounded and a new line was installed. The value that shut off that two-inch line started leaking and had been leaking. Before work of the milling and paving, the leak needed to be repaired that required staff to cut the value off the main line and slide a tighten clap over. The problem was they couldn't get the water pressure down for the repair. This created the fire hydrants to be wide open. There is an air relief value that needs to be lower.

3.2 **Waste Water Treatment Plant:**

- a) The city has self-imposed moratorium letters for the chronic overflow manholes of A.39 (Spring Street), A.43 (Spring Street), and I.41A (Skinner Flat Road). We have not received letters back for the manholes behind Dave King Park. Alderman/Vice-Mayor Messick asked if when work is done for the interceptor drains will this take care of these problems and Acting Director & Assistant Director Raney stated that there is a very good possibility that it will. It has been turned into bid and the bid will be opened on June 5, 2024. After this time, a pre-construction meeting with the one who won the bid with a start date by the first of July. It could be several months until the project fixes the chronic manholes/overflows working from the most inner part and moving outward. Adam Floied informed the board that we will have to get the data in from the

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current project before starting the development of another project for the interceptors. There is currently a project presenting going on that will be completed by June 30, 2024. Mayor Howard stated that B.43 got reported today via letter. Mayor Howard is responding to the letter informing them how we are correcting the issue.

3.3 Water Distribution:

- a) The preliminary pricing for the water tower addition. The money for getting this project together in the 2024-2025 budget.

3.4 Collection System:

None to report.

3.5 Equipment Upgrade & Project Needed:

- a) The money for the equipment is also in the new 2024-2025 budget.

4) Billing Office Items:

None to report.

5) Commissioner's Comments:

None to report.

6) Old Business:

6.1 Asset Management / City Works:

- a) Acting Director & Assistant Director Raney is in the process of scheduling a primarily meeting with City Works that is going to include Mayor Howard, George Gannon, Brittany Fiske, Director Adam Floied, Jeff Perry, myself, and a few others to get everyone up to speed on this service and onboard. The state and the ARP grant recommended. City Works are very well known in the State of Tennessee and that is the direction we would like to go to use them for our Asset Management.

6.2 JE Sartain Road Water Line Project:

- b) Mayor Howard questioned who handles what work from start to end plans with TDEC. If a developer takes a job like this, they would have to follow all the rules and regulations. There are going to be additional need for two box culverts that has come up to complete the project that wasn't discussed. Additional information was provided by Adam Floied regarding the liability with homeowners working with TDEC with people being hurt in the roadway, something is done to mess up the permit, damage to easements, and damage to roadways. The city will take the fall for these events. Adam was just throwing out some issues that the city might want to talk to Attorney Johnson further. The permits are going to have to be issued to the homeowners (owner of the water line) as the permittee. Mayor Howard stated that the homeowners would dig the ditches and the city would just lay the lines, but the need for two box culverts raises the question if these will be blue-line streams? Who secures the easements and right of ways? The county says that they were going to pay for the lines. The city has gone from a single digit leaks to double digit leaks in our water lines. We have homeowners with sewer flowing out of the manholes in their back yards. Chairman/Commissioner Anderson added that the last communication was the city was going to have a written agreement with the county for their work. We have extended water lines into the county before and we have done it with an agreement with the county.

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- c) This project got off track with two new directors, the loss of the County Mayor, we are unsure where we are with this project.
The city is behind on the getting the sewer issues fixed. We want the sewer repairs to be our number one priority. It was asked that Director Jeff Perry pursue this with the county and see how much we can get in writing along with the city attorney and county attorney because it was probably done in the past on a hand shake with one to two customers as there are nine people that is involved currently in this project. These people don't have a reliable source of water. It will be the county's responsibility to get this project moving forward.

7) **New Business:**

7.1 New Director Jeff Perry:

- a) Acting Director & Assistant Director Raney introduced Director Jeff Perry as our new director of water and sewer.

7.2 Assistant Director Pay:

- a) Director Jeff Perry stated that Acting Director & Assistant Director Raney was interim director during the time frame from Director Phil Miller and Director Jeff Perry. For his position wise and his job duties warrants him for a pay raise and is underpaid. Alderman/Vice-Mayor Messick asked Director Jeff Perry what his pay should be and Director responded with \$85,000.00 a year. Acting Director & Assistant Director Raney didn't receive pay for acting interim director.

Alderman/Vice-Mayor Messick made a motion to pay Acting Director & Assistant Director Raney while he was interim Director of Water and Sewer with director's pay and the time frame he acted as interim the time before (Brian/Dana) (Time spent as interim director, this time and previous time), Secretary/Commissioner Hunt seconded. After a vote was taken, the motion passed 5-0.

A salary increase for Acting Director & Assistant Director Raney from \$66,000.00 to \$85,000.00 for future pay was suggested to be placed in the budget and the budget gets approved. Chairman/Commissioner Anderson mention that the city is losing employees too often and we need to start paying them what they are worth. MTAS will give you salaries of city positions and salary studies. The city is close to completing the salary study and Alderman Hobbs to present/release this information to Mayor Howard any day now. Mayor Howard added that the city is also losing people, example Adam Floied and others who is highly skilled making less that Acting Director & Assistant Director Raney is currently making which is also causing problems. Director Jeff Perry informed the board that he understood his disposition but, this issue isn't in the water and sewer department. It needs to be approved by the BOMA because the city took over the water and sewer department years ago, while other cities' water departments are independent entity.

7.3 Approval for C.K. Masonry, Inc. / Manhole Work McArthur Street:

- a) C.K. Masonry, Inc. submitted a quote for manhole work on McArthur Street. Director Jeff Perry stated that they were moving along with TDOT and was the only entity in this area (sole source).

Alderman/Vice-Mayor Messick made a motion to accept the approval for C.K. Masonry, Inc. quote in the amount of \$1,200.00, Vice-Chairman/Commissioner Watson seconded. After a vote was taken, the motion passed 5-0.

7.4 Purchasing Policy:

- a) Alderman/Vice-Mayor Messick suggested the purchasing policy limits be increased from \$1,499 to \$9,999. The board will need to approve purchases over \$10,000.00 along with bids.

Alderman/Vice-Mayor Messick made a motion to accept the approval for C.K. Masonry, Inc. quote in the amount of \$1,200.00, Commissioner Hillsman seconded. After a vote was taken, the motion passed 5-0.

7.5 DRA Nickels:

- a) Chairman/Commissioner Anderson informed the board that Duck River Utilities will be taking over paying the nickel per 1000 gallons for all of the water they move for Manchester and Tullahoma. Currently, Manchester and Tullahoma are charging a \$0.05 on customer's bills for the water they sell. The city is going to have to pay Duck River Utilities that nickel for water we purchase. The difference is we are going to have some water loss. We have to pay that nickel to Duck River in order that they pay DRA. If we sold the water and collected the bill, it's a pass through. We need to figure out how much water loss we have. And if the city wants to recoup that, we will have to add this to the bill with a slight rate change. Acting Director & Assistant Director Raney stated that considering our currently water loss usage of \$60,000.00 a year of extra expense that the city will be out. The city is currently paying the nickel now. DRA is now charging it at the source. Duck River Utility will be paying what goes through the meter and not what is sold to individual customers. We pay a nickel per 1,000 gallons sold; we will be paying a nickel per 1,000 bought. The board would like to see water loss numbers in the next meeting along with a proposal to with eat the cost or make a rate change to the BOMA.

7.6 2023/2024 2nd Budget Amendment:

- a) Secretary/Commissioner Hunt asked Mayor Howard if we had a legally approved 2023/2024 budget, one with so many issues. It is closed in the books, but hasn't completed the audit due to a lot of line items that were overbudgeted and a budget amendment needs to be done. The 2022/2023 audit hasn't been completed. The audit needs to be completed on the 2022/2023 budget before the 2023/2024 budget is adopted. The 2023/2024 isn't a legal budget until the 2022/2023 budget's audit is completed by a target time frame by June 30, 2024.
- b) Alderman/Vice-Mayor Messick present the projected 2023/2024 budget for the line items that was over the 100% (over limit). The bottom figure is still under budget around \$1.2 Million. The budget amendment is for additional or reduction amount is unclear at this time.

This item will need to be tabled for a special called meeting before the BOMA meeting on June 4, 2024.


7.7 2024-2025 Budget Review & Approval:

- a) Secretary/Commissioner Hunt suggested that the water and sewer department should have their own finance/accountant that works directly with the water and sewer department and not in the finance department. Mayor Howard informed the board that there was going to be another accountant hired into the finance department in order that they may look at the budget more in detail.
- b) The city charges Hillsville Utilities a higher water rate for the sale of water. The new agreement needs to be looked at for new negotiations.

This item will need to be tabled for a special called meeting before the BOMA meeting on June 4, 2024.

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On a motion from Commissioner Hillsman, seconded by Chairman/Commissioner Anderson, the meeting adjourned.


Mike Anderson, Chairman


Gary Hunt, Recording Secretary

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