

MANCHESTER WATER AND SEWER COMMISSION
March 6, 2025

The Manchester Water and Sewer Commission met on Thursday, March 6, 2025 for a regularly scheduled meeting.

Director Perry made an announcement that this meeting will be live streaming.

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

Roll taken by Director Jeff Perry and present were: Chairman/Commissioner Anderson, Vice-Chairman/Commissioner Watson, Commissioner Hillsman, Mayor Hobbs, and Director Jeff Perry. A meeting quorum had been established.

Absent: Secretary/Commissioner Hunt, Alderman Anderson, and Billing Office Manager Jennifer Hall

Late Arrival: None

- 1) The agenda of the regular meeting on March 6, 2025, was approved upon a motion by Chairman/Commissioner Anderson, second by Vice-Chairman/Commissioner Watson. After a vote was taken, the motion passed. 3-0

2) **Citizen Comments:**

None to report.

- 3) The minutes of the regular meeting on February 6, 2025, were approved upon a motion by Chairman/Commissioner Anderson, second by Commissioner Hillsman. After a vote was taken, the motion passed. 3-0

4) **Mayor's Report:**

- a) Mayor Hobbs reported that the Duke's project is progressing well, with strong communication and quality work. Director Perry will provide further details later in the meeting. Updates are given in stages to allow for immediate internal improvements.
- b) Mayor Hobbs earned two hours of utility credit for attending a conference on Monday.

5) **Director's Report:**

5.1 Water Distribution:

- a) For the month of February, 2025, the sanitary survey conducted by the state has returned preliminary results, and we scored 99% for the City of Manchester.
- b) In February, we repaired two water main breaks, fixed eight service line leaks, repaired one hydrant, replaced two air relief valves on Ragsdale Road, installed four new water taps, and added a new water valve at the old treatment plant as part of our water distribution efforts. A third-party company successfully performed a hot valve insertion on a high-pressure live line.

5.2 Wastewater Collection System:

- a) Data from Adam Carter indicates that the North Ridge, Fredonia, and Hwy 55 pumping stations are at or exceeding capacity and will require upgrades to accommodate additional flow. Further data collection is ongoing for the 7-Eleven pumping station to assess future growth capacity.

MA
EKH

- North Ridge:
Designed Capacity: 215 homes
Currently Built or Approved Homes: 267
The station is already over capacity based on approved developments.
- Fredonia:
Current Homes Discharging: Over 200
Additional Approved Homes: Additional 300

The station is significantly undersized for the projected growth. The total of 500 additional homes cannot be accommodated without upgrades to these pumping stations. Adam Carter is actively working on plans to upgrade these stations, with work expected to begin soon. No further home connections will be permitted (only Director Perry to approve new connections) to these stations until upgrades are complete. Mayor Hobbs requested clarification on the number of homes currently connected to the stations. Director Perry clarified that while approvals exist, these are for lots and homes yet to be built, meaning the city is not currently exceeding capacity. However, planning for expansion is necessary. While the city has approvals that could push capacity beyond limits in the future, the issue is not immediate, and there is time to implement an upgrade plan.

5.3 Sewer Collection System Projects:

- a) The bid opening for the ARC Grant Project (102-187 Basin I Sewer Rehabilitation) was held on March 3, 2025. This project aims to upsize the sewer main from Willis Farm to Skinner Flat Road to enhance capacity and efficiency. After the review process, Fischer Excavating, Inc., based in Illinois, was awarded the bid. They would like to branch out and have operations in the State of Tennessee.
- b) As part of the Federal ARP Grant, Duke's has completed inspections on 1,014 available manholes. The findings are as follows:
 - 73 manholes were identified but need to be uncovered.
 - 14 manholes remain unfound.

- c) Duke's has now progressed to the televising phase, covering 65,300 feet of sewer lines. However, 10,700 feet must be cleaned before televising can proceed.
- c) Smoke testing is scheduled to begin this spring, aligning with the ongoing televising and cleaning efforts.

Public Notification Plan:

- Door tags will be distributed to residents 2 to 7 days before work begins.
- These tags will include instructions in both English and Spanish, a FAQ section, and contact information for any inquiries.
- Social media updates will also be posted on the city's official site to keep citizens informed.

The estimated project completion is set for late July 2025.

Mr. Stewart informed the board about the smoke testing process, emphasizing the need for dry weather to ensure accurate results. This testing allows for quick in-house repairs where necessary.

Additionally, the decision not to clean and CCTV beforehand has already resulted in significant cost savings for the city of over \$100,000. The system has been determined to be clean enough to camera without prior cleaning, and the project is progressing successfully.

MA

OKA

5.4 Water Billing Office:

- a) The new billing cycle has been successfully consolidated into one uniform cycle for all customers.

- Payment Due Date: 15th of each month
- Cutoff Date: 1st of the following month

This change ensures consistency and streamlined processing for all accounts.

Chairman/Commissioner Anderson noted that he has received calls from customers concerned about unusually high-water bills. He explained to them that their current bill reflects a usage period of approximately one and a half months, which could result in an increase of about 50% if their water consumption remained the same as the previous month.

Director Perry further clarified that due to the recent billing cycle adjustment, some customers' bills may temporarily appear higher as the cycle shifts. However, this is a one-time adjustment, and bills should normalize in the following month.

5.5 Job Positions:

- a) Director Perry provided an update on recent hires within the department:

- Cody Hoehn has joined as a Light Equipment Operator. He comes from Ohio with utility experience and holds a Class A CDL. In his two weeks of employment, he has proven to be a valuable addition, working well with crews and showing strong initiative.
- Preston Hayter is set to start on March 17, 2025, as a Heavy Equipment Operator. He brings extensive experience in the field.
- Dana Douglas will begin on March 10, 2025, as the Water & Wastewater Operations Manager.

Mayor Hobbs noted that Mr. Douglas previously served as an Assistant Director and Interim Director for the city.

The Assistant Director position remains open, as Mr. Douglas accepted the Water & Wastewater Operations Manager role.

5.6 Water Projects:

- a) The cost estimate for the JE Sartain Road project is still pending, with an expected total cost estimate available next week. Daniel (JR Wauford & Company Consulting Engineers, Inc.) has requested that Director Perry consult with Judy Pugh (representing the citizens who requested water service) to provide a breakdown of labor and material costs.

Chairman/Commissioner Anderson clarified that:

- The county will supply the materials as per the existing agreement.
- The city will provide labor for laying the line, but only if the requesting citizens agree to cover the cost of the work. Alternatively, they may choose to perform the work themselves.

Mayor Hobbs noted that he spoke with Tim Morris (Coffee County) at the end of last week. The plan is to finalize an estimate next week and determine whether the county and citizens want to proceed with the project.

6) Old Business:

None to report.

MA

GKA

7) **New Business:**

7.1 **Budget Review:**

- a) Director Perry provided an update on a meeting with Anthony Burrows, Director of Finance, held earlier today to review water and sewer revenues.

Revenue Review:

- Line Item 37199 (Miscellaneous Water Revenue): Director Burrows is analyzing the details of this line item.
- The rate increase has significantly contributed to revenue growth.
- Sample bill reviews indicate normal water usage trends.

Current Water & Sewer Rates for Inside City Limits:

- Water: \$10.97 per 2,000 gallons
- Sewer: \$13.78 per 2,000 gallons

Average Monthly Bill: \$64.82 (including tax, sanitation, and waste recycling).

Rate Increase History & Comparison:

- The city went 20 years without a rate increase before adjustments in 2021 and 2023.
- Proposed Rate Increase (3-5% per year):
- By 2029, a 5% increase would set rates at:

- Water: \$14.70 per 2,000 gallons
- Sewer: \$18.47 per 2,000 gallons

Comparisons:

- Tullahoma has steadily adjusted rates, staying in line with increases from Duck River Utility.
- West Warren sources water from McMinnville, whereas both Tullahoma and Manchester purchase from Duck River Utility. West Warren has significantly higher rates:

- Water: \$29.99 per 2,000 gallons
- Sewer: \$43.98 per 2,000 gallons

Director Perry acknowledged Kathleen Penner in her work to provide a spreadsheet of exactly what he was wanting and needing what to produce for this discussion. She did a really good job and he is thankful for her help. Chairman/Commissioner Anderson suggested incorporating rate adjustments into future budgets to balance ongoing projects and repairs.

Rate Increase Scenarios:

1. Annual 5% Rate Increase: Gradual adjustment each year.
2. One-Time Compound Rate Increase (13.36%) through 2029: Generates revenue upfront, but may require another increase if unexpected expenses arise.

Director Perry will contact Duck River Utility to determine if they foresee any future rate increases through 2029. Director Burrows will prepare budget projections based on a 5% annual increase, pending further discussion. The information presented serves as a baseline for where rates should be and reflects adjustments that should have been implemented 1-2 years ago.

Mayor Hobbs stated that the city will request a meeting with Hillsville, to whom Manchester wholesales water, as this has not been done in some time. The purpose of the meeting is to:

MA

GKA

- Assess anticipated growth in Hillsville and determine their future water needs.
- Ensure that these projections align with the financial analysis conducted by Director Perry and Director Burrows to establish accurate rate structures.
- Address the lack of historical records regarding past wholesale rate adjustments.

Additionally, it was noted that Hillsville received ARP funds from the county for the construction of a new water tower, but its current status remains unclear. Chairman/Commissioner Anderson highlighted that the city's written agreement with Hillsville allows for rate adjustments in conjunction with changes to Manchester's water rates. Mayor Hobbs emphasized the need for a pass-through rate structure, ensuring that any increases from Duck River Utility flow through to the City of Manchester, then to wholesalers like Hillsville, and ultimately to citizens.

- b) Director Burrows stated that the budget will be completed by March 18, 2025. A \$1 million line item was allocated for the wastewater plant, of which \$277,000 has been spent so far. Director Perry has been in contact with JR Wauford & Company Consulting Engineers, Inc. to ensure that the remaining funds are used efficiently before the end of the 2024-2025 budget cycle, without exceeding the allocation.

Use of Remaining Funds:

- If the funds are not fully utilized for plant repairs before the fiscal year ends, they can be:
 - Reallocate to other necessary items.
 - Roll over to the 2025-2026 budget, pending approval.

Planned Budget Requests for 2025-2026 are 4 to 5 full-size work trucks, 2 foreman trucks, skid steer, building and office additions, additional funds for water and sewer line repairs and emergency expenses.

- c) Director Perry highlighted budget overruns at the wastewater plant, particularly in salaries, indicating that insufficient funds were originally allocated. However, some departments have budget underruns, leading to questions about employee allocations.

Director Perry and Director Burrows raised concerns about whether employees are properly assigned to their respective departments in the budget. Director Burrows and Kelley Weber of Finance will be compiling a spreadsheet detailing:

- Each employee's designated department
- The funding source for their salary

This report is expected to be ready next week. Mayor Hobbs added that the new Finance Director and HR Manager are working to reclassify all city employees under the correct department codes. This effort will ensure that salary expenditures align accurately across all departments and prevent misreported budget overruns and underruns in the future.

- d) Mayor Hobbs inquired about the number of water towers servicing the city. After review, it was confirmed that the city currently operates five (5) water towers within its service area.
- e) Director Perry reported that the city is currently at 93% water capacity, necessitating the construction of at least one to two additional water towers.

Proposed Water Towers:

- North Coffee County – To address pressure issues in that area.
- Industrial Park – To support future growth and infrastructure needs.

MA

GKH

Director Perry will consult with JR Wauford & Company Consulting Engineers, Inc. and Adam (St. John Engineering, LLC) for their input that will help determine the best approach for moving forward with the new towers.

Potential Funding Sources:

- Mayor Hobbs noted that American Rescue Plan (ARP) funds returned to the state by counties and cities will become available in August 2025.
- Manchester is on the list for potential additional funding.
- The city plans to submit completed, city-funded projects to the state for reimbursement.
- If awarded, these funds will be allocated toward a new water tower as part of the city's long-term infrastructure strategy.

Alternative Funding Assistance:

- If ARP funding is not secured, Venna, a board member familiar with available funding programs, may assist in identifying alternative financial resources.

7.2 Pole Barn Quotes:

- a) The original budget for the pole barn was set at \$50,000.

Three vendors were approached for bids, but only two submitted quotes:

- Watson's – \$130,000
- Summertown Metals – \$75,000
- Third vendor – Did not submit a quote

Due to both quotes exceeding the budget, the project was put on hold.

As the fiscal year nears its final quarter, new bids were obtained for a shorter pole barn. The lowest updated quote came from Summertown Metals at \$51,619, bringing it closer to the budgeted amount. The pole barn is designed for storing equipment and materials. The structure allows for future expansion if needed.

Chairman/Commissioner Anderson made a motion to accept the quote from Summertown Metals in the amount of \$51,619 for the construction of a pole barn. Vice-Chairman/Commissioner Watson seconded. After a vote was taken, the motion passed 3-0.

8) Commissioners Comments:

None to report.

On a motion from Chairman/Commissioner Anderson, seconded by Commissioner Hillsman, the meeting adjourned. 3-0


Mike Anderson, Chairman


Gary Hunt, Recording Secretary