

MANCHESTER WATER AND SEWER COMMISSION
MAY 8, 2025

The Manchester Water and Sewer Commission met on Thursday, May 8, 2025 for a regularly scheduled meeting.

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

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

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

Absent: Billing Office Manager Jennifer Hall

Late Arrival: None

- 1) The agenda of the regular meeting on May 8, 2025, was approved upon a motion by Vice-Chairman/Commissioner Watson, second by Alderman Anderson. After a vote was taken, the motion passed. 5-0

2) **Citizen Comments:**

- a) Judy Pugh and I have been representing the property owners along JE Sartain Road. I have four property owners with me today who may or may not wish to make comments or ask questions.

Hunter West, an insurance adjuster, has expressed interest in relocating to JE Sartain Road—provided there is an adequate water supply.

Nancy Bush, Assistant Vice President of Digital Banking at Ascend Credit Union, and her husband Kent Bush, owner and operator of Got to Go Transport, are both residents of JE Sartain Road. Also accompanying us is my granddaughter, Olivia, who also resides there.

Marshall Harris, a licensed contractor and owner/operator of Harris Excavation and Demolition, is also present. Mr. Harris has expressed interest in constructing a youth church retreat on JE Sartain Road.

We were informed in February that city water would be available by this summer, 2025. We are hoping for an update on the timeline and confirmation of this commitment.

In April, we received disappointing news regarding water access on JE Sartain Road. Please keep in mind that this road is only 1.71 miles long and is located near Normandy Lake. We were informed that water would not be extended to our area due to an estimated cost of \$600,000 for the water line installation.

Following this news, I contacted Pro Plumbing to explore alternative options. I asked if a holding tank and filtration system could be installed on the property. The technician who visited responded, *"I doubt there's any other situation in Coffee County like this, and I'm sorry, I cannot help you."*

Residents along JE Sartain Road, a 1.71-mile road near Normandy Lake, have been actively requesting access to city water. The area currently lacks adequate water supply, creating significant hardship for residents, some of whom rely on insufficient or unsafe sources. Jeff Perry stated that he was asked to obtain a cost estimate for extending water services down JE Sartain Road. Walford Engineering provided a preliminary estimate of approximately \$600,000, which included installing 6-inch pipes and fire hydrants. The estimate was shared with the Coffee County Mayor's office.

1) **City and County Roles:**

- o The City of Manchester has agreed to provide labor for the project.

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- Coffee County was expected to cover the cost of materials, including pipes.
- According to Mayor Hobbs, this collaborative model (city labor + county materials) has been successfully used on other joint projects in the past.
- The project remains on hold, pending final confirmation and approval from Coffee County regarding the purchase of materials.

2) Resident Feedback & Needs:

- Judy Pugh and other residents, including Nancy Bush, Kent Bush, and Marshall Harris, expressed frustration over delays and the lack of communication.
- Residents questioned the necessity of the high-cost estimate and the requirement for 6-inch pipes and hydrants, suggesting that 4-inch lines would suffice.
- Mr. Harris, a licensed contractor, offered to install the line himself but was informed that only city crews or contracted entities can install infrastructure that the city will ultimately own and maintain.
- Testimonies highlighted the severe lack of water, including instances where families cannot bathe or flush toilets adequately.

3) Next Steps Proposed:

- Mayor Hobbs and Jeff Perry expressed a willingness to attend a County Commission meeting to clarify the city's commitment and move the project forward.
- Nancy Bush suggested a joint meeting to ensure all parties — city, county, and residents — are on the same page.
- There was consensus that easing specifications (e.g., dropping fire hydrants and using smaller pipe diameters) could reduce project costs significantly and make the project feasible.

4) Given these circumstances, I have two questions:

- What is the current status of bringing city water to JE Sartain Road?
- Is it standard protocol for residents to be required to pay for the installation of the water line, in addition to the standard water tap fees and related charges?

We sincerely appreciate your time and attention to this matter and hope to receive clarity on the path forward for the residents along JE Sartain Road.

Director Perry stated that if all the customers are located on one side of the road—or concentrated in a single area, such as near a proposed church site—it may be possible to run a water line that does not need to loop. While a looped system is preferable for water quality and pressure, if groundwater is insufficient, even a single line would provide critical improvement. An engineer would need to install a flushing point (a “cannon flushing” plug) at the end of the line to maintain water quality. It was noted uncertainty about the exact location of current and future homes, and cost-saving options could be explored if the entire road doesn't need to be serviced immediately. Additionally, if the area crosses two pressure zones, an engineer would need to assess and confirm that. It was suggested that if his services could be written into the project, it might help reduce costs. However, it was clarified that the city has already agreed to provide all labor at no cost.

What remains are costs for materials and the engineering study, which the County would need to cover or partner with others to fund. From the city's perspective, they

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are ready to proceed but remain in a holding pattern until the County confirms funding.

Kent Bush asked whether pushing some of the costs onto homeowners was typical. He was assured that the only cost to homeowners is the tap fee, which is currently \$2,250 for a ¾-inch tap outside the city limits. He was surprised, as some residents believed the cost would be \$600,000. It was clarified that this lower amount was never an official estimate, and any additional costs (e.g., boring under roads) would be extra.

It was emphasized that the County's role is to fund the materials and engineering study. The City has already taken steps to identify necessary pipe sizes and obtained an initial engineering report as a favor, which was not comprehensive. A more detailed report would require payment and likely need to come from St. John Engineering, the City's official engineering firm.

Nancy Bush noted that at one point, funds were available to cover engineering costs, and residents had even contributed checks—including a \$500 cashier's check—to help. However, those checks had to be returned when the project stalled.

Both Mayor Hobbs and Director Perry reaffirmed their willingness to attend a County Commission meeting to advocate for the project and confirm the City's continued offer to supply labor. They stated this is consistent with past collaborations, where the County provided materials and the City performed the installation work.

Chairman Anderson asked if an engineering study has been required in past water extension projects. Director Perry responded that for lines extending over a mile, an engineering study is often a state requirement. This may be why the Sartain Road project has been slower to progress. He recalled a previous county initiative—prior to his time in office—where a half-million dollars' worth of pipe was purchased and installed at various locations, though he wasn't sure if engineering studies were done at that time.

The board agreed that the JE Sartain Road water extension had been approved at least twice before and that all parties remain supportive. However, the project has been delayed for over five years, which residents stressed is far too long—especially when homes all around them already have water access. Mayor Hobbs concluded by saying, “Please call and let us know when the meeting is. Director Perry and I will attend and confirm that we're ready to do the work—we just need the materials provided.”

3) The minutes of the regular meeting on April 3, 2025, were approved upon a motion by Commissioner Hillsman, second by Chairman/Commissioner Watson. After a vote was taken, the motion passed. 5-0

4) **Mayor's Report:**

Mayor Hobbs noted that much of his update had already been covered, but he shared several key items:

a) New Water Tower at Manchester Industrial Park:

- 1) At the most recent BOMA meeting, the board approved facilitating grants for a new 500,000-gallon water tank at the Manchester Industrial Park. The project has secured approximately \$3.1 million in grant commitments. The City of Manchester will contribute around \$350,000, making this a strong investment with significant return. The new tank will improve water storage capacity and help meet required storage percentages.

b) Additional ARPA Funds:

- 1) Mayor Hobbs reported a potential opportunity to access approximately \$500,000 in additional ARPA funds. These funds come from unused

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allocations and can be applied to new infrastructure projects, rather than being tied to past expenditures. Final details are being worked out, but this is a promising development for the city's ongoing improvements.

c) FY 2025–2026 Budget Draft:

- 1) Copies of the proposed FY 2025–2026 budget were distributed to board members. Mayor Hobbs acknowledged the delay in distributing the draft but noted that Director Perry and Finance Director Burrows worked diligently to prepare it, with final revisions made earlier that day. Board members were asked to review the budget and bring any feedback to the Budget & Finance Committee meeting scheduled for 5:00 PM that evening. Any necessary changes can be made prior to formally presenting the first draft to the committee.

5) **Director's Report:**

5.1 Water Distribution:

- a) During the month of April, the Water Distribution Department completed the following activities:

1) New Service Connections:

- o Installed three (3) new water taps for residential or commercial customers.

2) Main Line Repairs:

- o Responded to and repaired two (2) water main breaks.

3) Service Line Maintenance:

- o Performed multiple service line repairs, addressing leaks and routine maintenance needs.

These efforts reflect the department's ongoing commitment to ensuring reliable water service and prompt response to infrastructure issues.

5.2 Wastewater Plant:

See Corresponding Written Director's Report.

5.3 Wastewater Collection System:

- a) During the month of April, the Utilities Department completed several key maintenance and repair activities focused on sewer infrastructure and water line integrity.

- 1) Televised over 5,000 feet of sewer lines.
- 2) Conducted extensive smoke testing to identify hidden leaks and service issues.
- 3) Discovered and repaired eight significant sewer main failures, including multiple partial collapses.

b) Notable Repairs:

- o One incident involved a water service line bored directly through a sewer main. Visual documentation is available, and the issue was resolved with a full repair.

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c) Cathey Ridge Road:

- 1) The Cathey Ridge water line continues to experience deterioration with multiple patched areas. This section is scheduled for review under capital improvement planning.

d) West Coffee Street Leak:

- 1) Responded to a call from the Mayor Hobbs and Assistant Director Foley regarding a soft spot beside the road, which was confirmed to be a sewer leak. Repairs required rerouting a gas service and excavating the sewer main.

e) Westwood Elementary Area:

- 1) Televising revealed multiple pipe defects, including:
 - o Collapsed clay pipe segments.
 - o Cracked PVC sewer mains.
 - o A water service line routed through a broken clay sewer pipe in front of the school. Repairs were completed on Sunday, followed by full site restoration.

f) Additional Issues Identified:

- 1) Three distinct locations with major sewer disconnections. Evidence from televising and smoke testing provided critical insight for targeted repairs.

g) Pump & Equipment Maintenance:

- 1) Replaced a failed pump at West End Circle.

- 2) Additional maintenance included the replacement and repair of various components across the system to ensure full operational integrity.

h) In April, our crews successfully raised 8 (eight) manholes that had been covered and inaccessible for a long time, specifically along Old Bushy Branch Road. These manholes had been paved over with asphalt, making them difficult to locate and maintain. The team was able to identify and excavate the buried manholes, restoring access for maintenance and inspections. While this is a strong step forward, many more manholes remain covered, especially in older paved areas. *A previous system audit revealed approximately 70 manholes (half of the system's total) had been paved over.*

i) As part of our ongoing efforts:

- 1) We've televised over 5,000 feet of sewer line this past month. Crews are actively performing repairs and manhole adjustments as issues are discovered.

j) Positive Outcomes:

- 1) Following a recent rain event, the wastewater treatment plant recorded reduced inflow, indicating that our detection and repair efforts are starting to decrease inflow and infiltration (I&I). We're finally seeing a positive difference in the system's performance.

5.4 Sewer Collection System (Grant) Projects:

a) Norris Brothers Project (Little Duck River Area):

- 1) Completed by replacing the manhole at Carter Sain's property. Installed a new manhole downstream from that location and began laying new sewer line along the Little Duck River.

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b) Sycamore Street Area:

- 1) The Sycamore area presents long-standing challenges due to elevation issues and aging infrastructure. Some homes with basements have experienced backups due to poor gravity flow. We are evaluating long-term solutions, including:
 - o Installing a gravity sewer line to the rear of properties.
 - o Adding grinder pumps where gravity flow is not feasible.

Mayor Hobbs stated that these repairs will be incorporated into the Norris Bothers project scope for a lasting fix of possible grinder pumps. Residents have been informed of the city's commitment to a permanent solution.

c) Fisher Excavating Project (ARC Grant):

- 1) The contract awarded to Fisher Excavating is scheduled for a pre-construction meeting on May 12, 2025. This project includes the sewer interceptor upsizing from the Willis Farm to Skinner Flat Road.

d) Duke's Root Control Project (Federal ARP Grant):

- 1) The current progress of the televising and cleaning is nearly complete. Smoke testing to begin on Monday. The crews have started distributing door tags to notify residents in the affected area. The project areas include from Coffee County High School to Hills Chapel Road, covering roughly one-fourth of the city. This includes the Royal Trail neighborhood and adjacent residential zones.

e) Additional Comments:

- 1) Ongoing Leak Concerns:

- o Secretary/Commissioner Hunt informed of a persistent leak between Garner's Furniture and neighboring buildings on Main Street has been reported and will be investigated further. This alley has had multiple repairs, but the leak continues.

f) Court Square Smoke Testing Findings:

- 1) Items discovered are roof drains illegally connected to the sewer system, found open lines, and a failing road patch. Coordination with property owners is ongoing to resolve these issues.

g) Street Patching Coordination:

- 1) Working closely with the Street Department. Sewer crews backfill patches with rock and tamping, then submit a repair ticket for the street crew to finalize the asphalt work.

5.5 Wastewater Pretreatment:

See Corresponding Written Director's Report.

5.6 Water Billing Office:

None to Report.

5.7 Manhole Overflows:

See Corresponding Written Director's Report.

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6) **Budget Review:**

6.1 **Budget Review Summary – Current Fiscal Year:**

- a) Director Perry reviewed the budget with Finance Director Burrows. The current status reflects that the current budget projections indicate the department will finish the fiscal year slightly under budget, assuming current trends continue. We are not expected to end in the red, which reflects responsible fiscal management.
- b) Under Repairs & Maintenance – Other:
 - o Budgeted: \$1,000,000.
 - o Spent to Date: Approximately \$280,000.
 - o Explanation was given of conservative spending strategy was used to avoid overspending or needing to request additional funds mid-year. This approach ensured flexibility and protected against unforeseen costs.
- c) Proposed Budget Notes:
 - 1) The proposed budget being reviewed includes updated rate structures.
 - 2) The current review focuses on actual spending vs. budgeted projections — not future projections yet.
 - 3) Open invitation: If anyone has questions or needs clarification on any budget line item, they are encouraged to reach out.

7) **New Business:**

7.1 **Crane Truck:**

- a) This item has already been approved in a prior meeting. As such, no further discussion or action is required at this time.

7.2 **Rate Changes:**

- a) The current water and sewer rates have remained mostly unchanged for several years, with only modest adjustments. The proposed new rates represent a substantial adjustment, aiming to bring the system closer to financial sustainability and to fund essential infrastructure projects.
 - 1) Key Proposed Rates (Minimum Bill for 2,000 Gallons (Inside City)):
 - o Water: \$14.99
 - o Sewer: \$18.84
 - 2) Outside City Rate (2,000 Gallons):
 - o \$29.98
 - 3) Planned Rate Structure:
 - o Implementation of the new rates in FY25–26.
 - o Followed by 2% increases in FY26–27 and FY27–28.
- b) Rate Justification:
 - 1) Infrastructure Needs:
 - o Replacement of the headworks and UV system: \$9.5 million.
 - o Bypass transmission line to Batesville: \$3 million.

- Flow meters throughout the system to monitor infiltration and inflow.
- Addressing chronic manhole and sewer line issues.
- Replacement of aging clay sewer lines and water mains (e.g., Cathey Ridge Road).
- New water tank on the west side of town.
- Water valve replacements to improve outage response.

c) Financial Strategy:

- 1) Projected to remain under budget this fiscal year.
- 2) A 5-year capital strategy is being developed to layer in new debt as older debt is retired — without increasing the debt service payment burden.
- 3) ARP funds have helped offset current capital needs (\$5–\$6 million), but cannot support future obligations alone.

d) Equity Considerations:

- 1) The rate increase applies equally across all customers, including residential, commercial, and industrial.
- 2) Large water users (industries) already pay proportionately higher based on consumption.
- 3) The goal is to ensure fair contribution from all user categories without placing disproportionate burden on residents.

e) Risks of Inaction:

- 1) Without rate adjustments, the utility risks operating in the red, which could trigger state intervention and mandatory rate setting by the State.
- 2) Delaying improvements increases the risk of system failure, service interruptions, and non-compliance with environmental standards.

Vice-Chairman/Commissioner Watson made a motion to approve and submit residential and commercial rate increases to the Board of Mayor and Alderman (BOMA) for formal adoption, Alderman Anderson seconded. After a vote was taken, the motion passed.
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7.3 Capacity and Tap Fees:

a) Capacity and Tap Fees & Study Proposal:

- 1) The sewer capacity fees currently charged are based on a specific formula shown on the rate chart. Director Perry has contacted MTAS and other experts, and collected statewide data on capacity fees. Capacity fees vary widely across the state — some cities charge more, some less. A comprehensive study is being pursued to determine if Manchester’s fees are fair and sufficient. The goal is to ensure new development pays its fair share of infrastructure costs — not current residents. Three firms have been contacted to conduct the study; responses are pending. This study will help plan for future growth and avoid undercharging developers. It’s unclear if a vote is required to initiate the study, but the speaker believes it would benefit the city.

The top half of the rate sheet reflects current tap fees. The bottom half shows estimated increases based on rising costs of labor and equipment. A proposal to raise tap fees is heading to BOMA (Board of Mayor and Aldermen) next

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month. These increases are designed to ensure fee structures are aligned with current expenses.

Alderman Anderson shared that citizen are concerned about rising water/sewer rates. Residents feel that existing taxpayers shouldn't subsidize new development.

The Commission emphasized that developers typically build and donate infrastructure (e.g., water/sewer lines) to the city. However, the city bears long-term costs such as: water towers, schools, and fire & police services

It's important to adjust fees so the cost of growth is fairly distributed.

- o A \$2 per square foot residential impact fee was implemented in July 2024.
- o 80% goes to schools, 20% to infrastructure.
- o \$270,000 from impact fees is budgeted for infrastructure.

A separate 95¢/sq ft fee for industrial development is also in place.

b) Growth, Infrastructure, and City Services:

- 1) Growth leads to more assets (like sewer systems), but also more expenses (like maintenance).

c) The City is Investing in New Infrastructure and Personnel:

- 1) 17 new police cars in 3 years.
- 2) 13 new city employees hired last year.
- 3) Public works and fire services also upgraded.

Mayor Hobbs discussed that the city hasn't historically kept fees in line with costs, leading to citizens subsidizing development. Future considerations for other cities that charge for site plan and final reviews. These may be potential new revenue streams for Manchester. Discussion on whether those should be implemented by this body or others (e.g., Planning Commission).

7.5 Duke's Flow Monitoring of Lift Stations:

- a) Dukes originally proposed installing flow monitors at all 25 lift stations in the city's sewer system. However, this approach does not provide a true representation of flow within the full collection system. Lift stations are not sufficient for understanding infiltration and inflow (I&I) patterns across the system. The city's system consists of 14 basins, and accurate flow data requires monitoring:

- 1) Flow entering and exiting each basin.
- 2) Multiple points for basins with complex configurations (some basins have multiple in/out points).

The previous idea, though appealing at first, was ultimately not aligned with the city's needs. Alternative flow monitoring solutions will be explored that better reflect the basin-level dynamics. The goal is to implement basin-based flow monitoring, not lift-station-based monitoring. The city did conduct a flow study previously, but more ongoing data is needed.

- b) Continuous flow monitoring is critical for:

- 1) Measuring I&I reduction after repairs.
- 2) Supporting data-driven infrastructure decisions.

- 3) Providing proof of progress to state regulatory agencies.

This data will help lift the self-imposed sewer moratorium and demonstrate compliance. An example is by comparing rainfall with flow data before and after repairs, the city can quantify I&I improvements (e.g., gallons removed). Accurate, long-term flow monitoring is imperative. It enables better planning, regulatory compliance, and evidence-based investments in the sewer infrastructure. The city will move away from the lift station approach and pursue basin-focused monitoring.

8) **Commissioners Comments:**

- a) Alderman Anderson commended the Public Works and Utility teams for their work on the West End Circle pump station. She personally visited the site and noted that overflowing from the old pump station had been a long-standing issue affecting residents, particularly those on the cul-de-sac near the station. She expressed confidence that the residents are relieved and appreciative of the resolution. The previous setup was in extremely poor condition—one of the pumps contained a vehicle drive shaft as a makeshift component. The system had been patched repeatedly over the years due to its deteriorated state. The current repairs represent a long-overdue permanent solution, addressing a chronic problem. This was a notable infrastructure improvement, particularly given its proximity to Old Stone Fort, a significant area for both residents and visitors.
- b) Chairman Anderson raised a question to the Board and Mayor regarding clarification from the City Attorney on the required number of members for the Water and Sewer Commission. The City Ordinance currently states seven (7) members, while state law requires only five (5). Historically, the board has operated with five members. The City Attorney has indicated that the city is grandfathered in under the state statute, allowing continued operation with five members. However, Chairman Anderson emphasized the importance of consistency, recommending that the ordinance be amended to reflect five members, as this has been the functional standard. The increase to seven members was made during a previous administration but did not result in consistent attendance or participation from new appointees. The current five-member structure has been effective, and there is no expressed interest from the Board of Mayor and Aldermen to expand it. Mayor Hobbs stated he is willing to amend the ordinance if the Commission recommends it. The City Attorney recently followed up to ask if a formal amendment should be prepared. The Commission reached consensus and agreed to vote immediately on recommending the ordinance be amended to set the board membership at five (5) members. The recommendation will be forwarded to the Board of Mayor and Aldermen for approval and inclusion on the June agenda.

Secretary/Commissioner Hunt made a motion to motion that we amend the ordinance to five (5) members, Vice-Chairman/Commissioner Watson seconded. After a vote was taken, the motion passed. 5-0

- c) Director Perry presented the proposed FY 2025 budget, highlighting the impact of the upcoming rate increases and key allocations. The proposed budget reflects significant operational planning, capital projects, and long-term infrastructure goals. Due to the approved rate increases, revenue is projected to rise from approximately \$8.9 million to \$11.9 million, a \$3 million increase. A one-time \$1 million line item from the previous budget (for the treatment plant) was removed.

- 1) Key expense adjustments were made to avoid budget overruns:
- o Repair & Maintenance (lines 269.1 & 269.2, p. 42) were reviewed and revised.
 - o Budgeting was based largely on actual expenditures from the past fiscal year.

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- Flexibility was acknowledged for unexpected events (e.g., tornadoes, flooding, or emergencies).
- 2) Notable capital investments total approximately \$3.7 million, largely funded through ARP (American Rescue Plan) allocations:
 - Projects include work with Duke’s Root Control and Norris Brothers.
 - The ARC grant currently underway includes a \$1 million match (of which \$300,000 will come from remaining ARP funds).

Although capital projects increase the apparent deficit (\$15M expenses on \$12M revenue), they are handled outside of operating expenses (via depreciation and dedicated funds).

The reserves & deficit considerations are if all budgeted items are executed, reserves should leave approximately \$2 million at the start of the next cycle. It was clarified that capital project costs, while not operating expenses, must be shown for transparency and planning purposes. The budget assumes the rate increase will be effective August 1, 2025. Two readings are required, so a special called meeting may be used to finalize approval.

The five-year plan being developed for strategic and long-term planning for repairing lines tied to chronic manhole issues. Identifying future equipment replacements and infrastructure needs (e.g., pumping stations, water towers). Outdated vehicles and equipment will be sold via GovDeals to help fund replacements.

There are continued problems with stormwater infiltration, especially from older buildings downtown. Some businesses still have roof runoff or stormwater tied directly into sewer lines. Moving forward, corrective action letters will be issued, with deadlines and enforcement that may include utility service suspension if non-compliant.

There are no current capacity issues, but inflow during rain events remains a major challenge. Priority projects include upgrades to the headworks and UV system (which are the most critical) and the plant needs an upgrade.

Alderson Anderson made a motion to approve and submit the proposed budget to the Board of Mayor and Alderman (BOMA) motion that we amend the ordinance to five members, Commissioner Hillsman seconded. After a vote was taken, the motion passed. 5-0

On a motion from Commissioner Hillsman, seconded by Vice-Chairman/Commissioner Watson, the meeting adjourned. 5-0



Mike Anderson, Chairman



Gary Hunt, Recording Secretary

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