

SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF MANCHESTER WATER DISTRICT

October 4, 2011

SPECIAL MEETING

1.0 Chairman Kyle Galpin called the special meeting of the Manchester Water District Board of Commissioners to order at 5:40 p.m. Present were Chairman Kyle Galpin, Commissioner Steve Pedersen, and Commissioner James Strode. Staff included Dennis O'Connell, General Manager.

2.0 September Regular Meeting Review

Financing options discussed at the Board of Commissioners regular meeting were reviewed. These included a Public Works Trust Fund loan for the replacement of the Banner Road Tank and transmission main.

3.0 Project Review

Banner Road Tank Replacement - The Banner Road Tank and transmission main replacement are part of the District's long term capital improvement program as defined in the Comprehensive Water System Plan published in 2007. The scope of the project would include doubling the capacity of the Banner Road Tank to 200,000 gallons for improved peak demand and fire protection storage. The transmission main replacement would include 4,750 feet of 12-inch ductile iron main and all appurtenances installed from the tank itself, north to the intersection of Banner Road and Southworth Drive.

Recently updated engineer's estimates for the complete project are as follows:

Tank Replacement: \$ 935,806

Main replacement: \$ 1,582,380

The District's current un-appropriated fund balances were presented, totaling \$ 296,886.

4.0 PWTF Contract Review

The terms and conditions of the PWTF contract were reviewed, along with incentives offered to assist in managing debt service by reducing the interest rate or lengthening the repayment schedule.

Following a thorough review of the loan contract documents, O'Connell presented slides detailing Public Works Board responses to questions raised by staff and District's attorney, Rick Gross.

O'Connell presented debt service worksheets including the district's current long term debt service schedule, and the same schedule with the PWTF loan included, assuming an initial draw of \$ 1,000,000 for the tank replacement phase of the project.

5.0 2012 Budget Proposal Worksheets

Additional draft worksheets for the District's 2012 budget were presented and discussed. The Boards' feedback will be incorporated into future drafts of the entire 2012 budget document to be reviewed at future meetings and planning sessions scheduled for the month of October.

6.0 Open Discussion

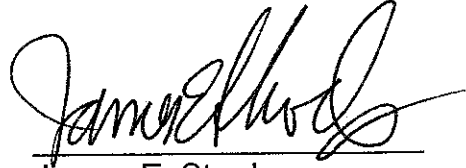
The Board expressed a desire to attend the American Water Works Association's National Convention in June of 2012. With evolving industry trends and a need for the District to explore manganese treatment options, the timing may be appropriate for further training.

7.0* Adjournment

There being no further business to come before the Board, the Commissioners moved to adjourn the meeting at 8:10 p.m.



Kyle D. Galpin,
Chairman



James E. Strode,
Secretary



Steve Pedersen,
Commissioner