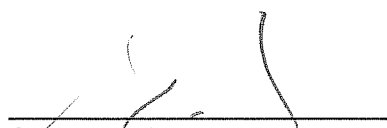


A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF MANCHESTER WATER DISTRICT

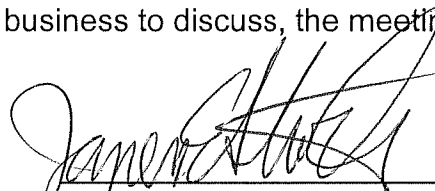
March 16, 2004

SPECIAL MEETING – Chairman Steve Pedersen called a Special Meeting of the Board of Commissioners to order at 5:00 p.m. Present were Chairman Steve Pedersen, Secretary Jim Strode, and Commissioner Kyle Galpin. Staff present included Alan Fletcher, General Manager, and Dennis O’Connell, Operations Supervisor. Others present included Courtney Black and Edward Cebron, Financial Consulting Solutions Group, Inc. (FCSG).


- 1.0 **Open Meeting.** Alan Fletcher, General Manager explained that the purpose of the Special Meeting was for the Board of Commissioners to consider financial consulting services for the updating and recalculation of the District’s General & Local Facilities fees and charges.
- 2.0 **Proposal to Perform Economic Work.** Mr. Edward Cebron, Principle, and Ms. Courtney Black, Analyst, FCSG, discussed General and Local Facility charges including the background, legal authority, approach, methodology, and policy issues involved in updating the District’s fees and charges. Cebron went on to provide the details of the proposed scope of work for performing the study and where efficiencies might be gained. The work product and expectation that charges will be developed consistent with industry practice and state law were examined and Mr. Cebron spoke to FCSG’s experience in delivering such a product. Also discussed were various alternatives to how charges are applied and how they might be structured. Cebron explained that study products include a documented basis for General and Local Facility charges, a recommended structure for charging new development, and recommended policies and practices. There was general discussion regarding public notice and coordination with local builders if the charges increased from current levels as well as where developer credits and/or public-private partnerships might be considered to the benefit of all ratepayers. Commissioner Strode stated that completing the work, at a minimum, below the not-to-exceed price as well as realizing cost savings in the study is imperative. Realizing the proposed cost is a conservative estimate, he is looking to staff and FCSG to perform the work in the most efficient manner.
- 3.0* **Approval of Scope of Work.** After thorough discussion, the Board felt a high level of confidence with the competency of FCSG to perform the proposed work. Acknowledging the prior discussion, Commissioner Strode moved to approve the proposed scope of work for General and Local Facilities Charges update and to authorize the General Manager to execute a formal Agreement to perform the work. Commissioner Galpin seconded. **The motion was unanimously approved.**
- 4.0 There being no further business to discuss, the meeting adjourned at 6:00 p.m.



Steve Pedersen,
Chairman



James E. Strode,
Secretary



Kyle D. Galpin,
Commissioner