

GLEN CANYON SPECIAL SERVICE DISTRICT OF BIG WATER

Approved Minutes

Wednesday June 12, 2024

Work Session 5:30 PM

Public Hearing- Water Rates and Fees 6:00pm

Public Hearing- Open 23/24 FY Budget 6:01pm

Meeting 6:02 pm

WORK SESSION-

1. **Call to Order- 5:30pm - Graydon Meeks here, Jim Lybarger here, Luke McConville on the phone.**

Discussion – Only 2 members of the panel are present with 1 on the phone. Looking at a 200k deficiency this year after we add the funds to cover the final year expenses. Discussion of next year's budget. **Jennie joins the work session by phone at 5:50pm**

Discussion on whether to table the water rate increase resolution until there is a full board in attendance. Jennie states that she is comfortable with everything discussed in the work session and would be ready to vote.

2. **Close Work Session-** Graydon motions to close work session Jim seconds, McConville yes, Jennie yes. 6:04pm

PUBLIC HEARING 6:00pm- Water Rates and Fees Increase- - Open at 6:04pm-

Wryht Short: Please take into account that an increase will deter people from watering trees and may affect the greenery. If there is a way to prevent this from happening in the future, he would like to see it prevented. Jim responds that this increase will be more drastic, but the state proposes a 3-5% increase each year. Graydon mentions balancing the increase with the higher water users to pay accordingly. This helps lessen the raise to the $\frac{3}{4}$ in meter. We are playing catch up. Stephanie: With the raise of water rates this is going to affect Brown Brother's 4-inch meter by raising their bill 1 $\frac{1}{2}$ times what they are paying now. It will be close to \$20,000 a month. Graydon: Even with raising the water rates we are still in the middle tier that was recommended in our water study we had done. The truth beknown is that everything is going up and we have no control over it.

Doug Rollain: Do we know what the proposed rates would be? Jim: Could you please pass out the handout on the back table for the audience to see?

Luke joins the meeting in person at 6:10pm.

Naomi Short: Why would the state dictate what we get to do with our water? Graydon: They are not stating we have to do that; they are recommending it. Our budget needs to have this raise, or we won't make it. Jim: the other part of that is if we do not meet the recommendations and guidelines, we will not qualify for any state funding. If we don't participate with them, they do not participate with us. Naomi: are we in competition with Salt Lake or St. George? Graydon: No, It is places like Johnson Canyon, Churchwells, Clark Bench. It is more rural area.

Boudicca Joseph: Is the overage tier rate in addition to the base rate? Yes

Wryht Short: Are we being charged after the 10,000 gallons? Yes, at a tiered rate per 1000 gallons.

Doug Rollain- Is the rate going from 28 to 40? Then another \$2.35 per 1000 after that? If you use less than 10,000 gallons the rate would be \$40? Yes. The suggested base rate is \$48.

Ryan Timpson: How many of our users use less than 10,000 gallons? 79% use an average of less than 10,000 gallons.

David Schmuker: I have been the water operator since 2009 and this is the first board that is willing to raise the rates where they need to be. We are in the red and the boards in the past would not raise the rate even when we had a study done. This Board is stuck with the problem. I have had Rural Water here 5 times to present Rate Studies and their recommendations were not taken.

Wryht Short: Have we been in the red for years and have we just been using our savings? Yes.

Russ Johnson: Trying to stay calm, doesn't like government overreach, but understands that costs have gone up. Is this going to happen again, by going up drastically? Jim: Water rates will increase 3-5% each year. Costs of everything have

gone up, which means the cost of running our water system has gone up. If the gravel pit wasn't here, it would be triple what we are paying for now. Luke: It is not going to go up drastically again, only 3%-5% annually after that.

Kathleen Schulz: I have a large property, lots of trees and a garden, if I am conservative, she can use as little as 6,000 gallons per month. Friends across the country are paying \$40 or more each month. These rates don't seem outrageous.

Russ Johnson: mentions that he was finally given an explanation on water rates and how bigger meters use more of our water rights. He would like to know more information about that. Jim: Utah has water rights, and they are sold to the Town. David: We own the water rights. They are part of our loan that we are paying off. Graydon shares allotted and more 2" meters use more allotments which would eventually force us to buy more water rights to accommodate all our ERUs. We can only tap in so many 2-inch meters for a water share. That is why a 2-inch meter is more than ¾ inch meter. Stephanie: A 2-inch meter is the equivalent of 3-4 (¾) inch meters.

Ryan Timpson: The last thing you would want to do, is oversize new infrastructure which would use more water rights. Suggests bumping the fees for the higher tiers instead of the lower tiers. Graydon: 70% of our users aren't even going over the base usage. Using more water comes at a price. We kept the base rate a little lower to push the cost to the higher users.

Tom Reneau: Heard we didn't have a rate increase in 10 plus years, but we did have a rate increase in October of 2022. Many residents are on SS income around \$900. The poverty level is around 18% who will not be able to increase revenue by other means. Inflation is 3.4-3.5% and homeowners' insurance costs more. Some residents cannot conserve any longer and may not be able to make these water payments. Assessment fees- we have 714 lots but heard we only have around 600 property owners which is a big difference. Maybe we could collect that money. Graydon explains that the county will put delinquent taxes on a tax sale after 5 years. Tom: What do water shares look like and how many water right shares do we have. Tom mentions inactive meter fees and initiating an extra fee for those potentially problematic. David explains that it is very hard to collect that money for inactive meters. This is a reason why we implemented an assessment fee on each property. Tom is from California and mentions that we are unique from those bigger cities. We cannot compare their prices to our prices. Tom has another comment that we are very passionate about. There was a water main leak the other day, and 3 people were there working all day long to get it fixed. They worked very hard to make sure people's water was back on. They are the unsung heroes. David says Tom came and helped with the water main break as well.

Boudicca Joseph: The assessment was set to retire at the end of the loan. Will that assessment continue if we get another loan for a new well? David explains it helps cover the cost of the inactive meters for the money that we cannot collect on. Boudicca says that Garkane will abandon a service if not used for a certain amount of time. Also, proposed hydrant rates, what are those? It is answered that those are for a hydrant meter that is rented- construction etc. Boudicca; What if someone had a 2" meter, and they wanted a ¾ " meter, what would that cost. David says \$1200. They would just have to pay the cost of the changeover.

Peggy Short: The depreciation fund is new, and we never had it as an expense before a few years ago. We now must budget for that at about \$5900 per month. This helps explain why the numbers have been much higher in the past few years than previously. Graydon mentions that we could fix 2 wells with this fund then it would be depleted. He is leaning towards increasing the contribution to that fund each year to help plan for future emergencies.

Boudicca Joseph: The trust lands are getting ready to do a subdivision. It would be nice for them to have to pay us for access to our water system.

Katie Joseph: Why we wouldn't go after the inactive meters and lien if they don't pay the fee. David explains that even liens may not get paid when a quit claim is made to sell the property.

Public Hearing closed at 7:01pm

PUBLIC HEARING-6:01pm- Open FY 2023-2024 Budget to Appropriate up to \$40,000 to Balance Final Fiscal Year Expenditures – Open at 7:01pm-

Wryht Short: Where is the money being appropriated from? It is coming out of savings.

Public Hearing Closed at 7:02pm

MEETING

1. Call to Order- 7:04pm

2. Roll Call—Jim Lybarger here, Luke McConville here, Graydon Meeks here, Levi Banfill and Jennie Lassen are absent

3. Statement of Conflict - None

4. Citizen Comments- None

5. Approval of May Minutes – Graydon motions to approve, Luke seconds, all in favor, Jim was absent last month.

6. Water Master Report- You all heard about the leak that we fixed. He rushed home and called Hyrum and Cory to help. He is thankful to have their help to get it taken care of. We also have an issue with the South well- normally He has time to look at the wells to make sure they are running but didn't have time yesterday. The tank was at 4.7 feet today. The Scada showed it was running since yesterday morning at 8am. Come to find out, on the Badger eye on water, it hadn't run since yesterday at 11am. We found out that the new soft start drive is not working. We have an emergency call in to the company that installed it and will make sure that we check both the eye on the water and the Scada pump each day. We are operating on only 1 well again. This is why it is so important to get another well. Right now, if something happened to the North well, we would be out of water. I did check out the power panel like you asked me to; I researched that, talked to the electrician, the engineer that designed that panel, Jeff at Garkane, they all came up with the same thing, the panel is fine for its use, and it is not a panel problem. It is something else. Thankful to Garkane for replacing the pole and transformers at no cost to us. Lead and Copper is moving along.

7. Treasurer Report – Peggy says it is the end of year, and we will need around 40k for end of year expenditures. This has been a rough year for the budget. She will be on vacation for a month so end of month balances will be slightly skewed until she returns. Graydon asks to send them once she gets them completed.

8. OLD BUSINESS-

A.) Discussion and Possible Action on Adopting Resolution 2024-03 Establishing Fiscal Year Budget 2024-2025

– After many hours, the Board feels it is reasonable. Luke motions to approve Resolution 2024-03. Graydon seconds, all ayes. Motion passes.

9. NEW BUSINESS

A.) Discussion and Possible Action on Adopting Resolution 2024- 04 Setting Water Rates and Fees- Discussion of hydrant fees- Current rate is a \$100 base rate with \$3 per 1000 gallons. Board suggests \$100 base rate with at \$3.50 per 1000 gallons. No base usage. Luke motions to adopt resolution 2024-04 As written with usage rates on hydrant rental to 3.50 per 1000 gallons and the assessment fees being raised to \$135 annually, Graydon seconds, all ayes. Motion passes.

B.) Discussion and Possible Action on Adopting Resolution 2024-05 Opening FY 2023-2024 Budget to Appropriate up to \$40,000 to Balance Final Fiscal Year Expenditures- To cover expenditures that will be hitting this final month of the fiscal year. Graydon motions to adopt Resolution 2024-05. McConville seconds, all ayes. Motion passes.

C.) Discussion and Possible Action on Approving Financials and Check Register- Biggest difference is the payment to the Division of finance for our annual principal and interest payment for the water bond. Graydon motions to approve, Luke seconds, all ayes. Motion passes.

10. ADJOURNMENT – Graydon motions to adjourn, Luke seconds, all in favor. Closes at 7:35pm