

Aug 19, 2024 Board Minutes

Green Hills Country Estates Water & Sewer District [PBA the District]

7:00 p.m. via Zoom or in Person @ Huntsville Library

Board members present: Jean Brill, Gary Hebert, Natalie Davenport (library)

District members present: Jacque Behar, & Tom Moran (library), Bill Carnahan (via Zoom)

Others in attendance: Diane O'Connell, Tess Kennedy

1. Call to Order: Gary Hebert

2. Reading of Agenda: Tess Kennedy

3. Approval of July 15, 2024 Board Meeting Minutes: Tess Kennedy

Motion: Jean asked for the board to approve the July 15, 2024 Board Meeting minutes as distributed to the Board. Seconded by Gary.

Vote: Gary, aye; Jean, aye; Natalie, aye. The motion passed.

4. Approval of July 2024 Disbursements: Diane O'Connell

All transactions explained to the satisfaction of the Board. See handout for transaction list.

Breakdown of specific transactions as follows:

Ardurra - \$2557 for LCRR Task Order (inventory work); Dentons Durham Jones Pinegar PC - \$295 and \$546 for easement and right-of-way work; Green Hills HOA - \$190 for overweight truck fees to haul backup generator & diesel tank; Transfer of \$20,000 to PTIF acct; Dennis McFarland - \$1,430 for mowing sewer drains; Ogden Valley Construction - \$1223 for outside hours by water operator.

Motion: Gary made a motion to approve the disbursements. Seconded by Jean.

Vote: Gary, aye; Jean, aye; Natalie, aye. The motion passed.

5. Ops Data Review/Discussion: Jean Brill

The discussion focused on Kelly Well. The general manager's concern is that the Kelly well is running a lot relative to the Maple well. The trend is continuing even though the Maple well bumped up 3 times in run time. The Maple well has a higher gallon/minute than the Kelly well but the Kelly well is still being unnecessarily taxed. The district will need to increase the run time out of Maple Well. Gary agreed but asked that we keep in mind there will be more turbidity. Natalie agreed and asked if this will be temporary. The general manager stated she would like to see the ratio of percent of water from the Maple well increased to 75% but will talk to Brian and Steven first as to the ramifications. A comment was made by district member Jacques Behar that he has had less turbidity since the first switch was made to get more water from the Maple well.

Jean discussed flush credits next and how they have been handled. Diane explained she understood from last month that all members were to receive a 750 gallon flush credit if they

requested it and the more affected district members would receive a larger credit. No members have asked for the credit.

Motion: Jean made a motion to provide members who are more affected by flushing activity to get the larger amount of about 1600 gallons and the rest of the members to receive a 750 gallon credit when requested. Seconded by Natalie.

Vote: Gary, aye; Jean, aye; Natalie, aye. The motion passed.

6. Q2 Financial Review: Jean Brill

Jean reviewed the Q2 Income & Expense Reports and the Balance Sheet. Income and Expense Report highlights as follows:

Variance for income is \$121,000 favorable. The district collected \$12,000 in hookup fees from one owner which is unexpected income. The district also has grant income that has not been paid out due to delays in treatment plant construction.

Variances for expenses are due to an increase in contract labor (hiring of Board Admin. Support staff); dues subscriptions are higher because of annual payouts vs monthly; education expense is lower because water operator enrolled in online training vs attending the annual Rural Waters Conference as planned; insurance increase is due to requirement to insure treatment plant diesel tank and generator; license and permits variance is a timing issue which will rectify itself before years end; maintenance expense was increased due to early mowing this year (district has 2 rounds of mowing prior to end of Q2); professional fees are increased due to requirements needed for the treatment plant project loan closure; gas and electric were estimated based on treatment plant being operational by now. This variance will level out once the plant is operational.

The district's interest income is down because money was moved out of the PTIF account late in 2023 to cover project bills. The bottom line is very favorable but will adjust some as the construction project continues.

The balance sheet gives a clear picture of the district's assets and liabilities as of 6/30/24 compared to 6/30/2023. The checking account has grown due schedule delays and lack of experience with the grant reimbursement process which resulted in conservative cash in this account. The PTIF account saw a small decline but we will continue to move money to this account whenever possible. The current assets are at \$234,000 due to construction in progress with the treatment plant. This account should continue to grow as construction continues. There was a minor decrease in liabilities because we have continued to pay vendors on time.

7. Selection of Meter Pit Construction Contractor: Jean Brill

New construction is being done on a Maple property, near the neighborhood entrance and Kelly Drive. A search was performed for a meter pit but none was located. The owners have paid their hookup fees for water and sewer and have located sewer but not water. We received 2 bids for

the necessary work and selected the low bid from Tom Summers LLC at a price of \$7,300. Approval of the contractor requires board approval.

Motion: Gary motioned to move forward with the contract approval. Seconded by Jean.

Vote: Gary, aye; Jean, aye; Natalie, aye. The motion passed.

8. General Manage Search: Jean Brill

The district has planned for hiring a general manager in the future to replace the current general manager. Jean stated her last year on the board and last year as general manager will be the end of 2025, if not sooner. Jean requested the Board to begin a search for a part-time general manager. Jean announced she will not be part of the search committee and asked the other two board members to take the lead on this search. She would like to have a general manager hired no later than the end of the 1st quarter 2025 so the new manager experiences a full year. Both Gary and Natalie agreed and will get started.

9. Interface roles re: Comms w/District Members: Jean Brill

Jean spoke about how communications are handled with district members and contract labor for the district, specifically the water operator. Due to the growth of the district the communication process needs to be created and sent to district members. She explained the general manager is here for the members to reach out to, while operational staff (Steven, Diane, Tess) are here for the general manager and the board. The operational staff is not available for district members to request additional support from

Jean asked to have a communication put forth in the newsletter to remind district members that if they have an issue they need to communicate through the general manager, not the water operator or other contract staff. Gary and Natalie agreed. Natalie suggested creating a flowchart to put in the newsletter because many of the members simply don't know the process.

Jean asked for feedback from district members participating in the zoom meeting. She agreed to reach out to Tom Moran and Jacques Behar for ideas on how to create an easy communication process for district members. The goal is to reduce the calls to the water operator and have the district members calls flow through the general manager first.

10. Maple Well Treatment Plan Contractor Selection: Jean Brill

In early August the district posted a request on government sites that the district was going out for bid on the treatment plant project. A pre-bidders meeting was held to allow potential contractors to view the project site. The bidding process closed on Tuesday August 13, 2024. The bids ranged from \$3.05M to \$4.8M. The low bidder was selected - Industrial Piping & Welding, LLC. Jean met with the winning company after the process and is happy with their level of knowledge and experience and their work on a project for Huntsville. The district's water operator, who also works as a water operator for Huntsville, spoke positively about working with this company. Jean is seeking the Board's permission to proceed with the contract

with Industrial Piping & Welding, LLC for an amount of \$3,040,670 for the treatment plant project.

Motion: Gary made a motion to move forward in accordance with the contract in accordance with Jean's recommendation. Seconded by Natalie.

Vote: Gary, aye; Jean, aye; Natalie, aye. The motion passed.

11. Maple Well Treatment Plant Loan Close: Jean Brill

Jean explained the reasons for cost increases in the Maple Well Treatment Plant project. The process with the State to agree upon a treatment plant design took much longer than anticipated because the State came in post the original corrective action plan(CAP) and added gross alpha elevated levels to be addressed. Originally the State put the districts under a CAP for turbidity with treatment for iron and manganese. Subsequent to that CAP, the district's water was tested for gross alpha and the results showed they were out of tolerance. The requirement to address this was added to the CAP. The gross alpha and turbidity results have remained elevated but the State agreed that the treatment solution for iron and manganese may also cover the gross alpha results and will allow the district to break up the treatment solution plan into 2 phases with the State agreeing to give us the opportunity to see if the treatment for turbidity, iron and manganese addresses the gross alpha problem. If not, we have a treatment solution for gross alpha that can be added at an additional cost.

The best solution will be to use a tri-mite filtration system and due to inflation and marketplace factors the cost increased. The treatment plant size increased from original plan due to the tri-mite system and to allow room for an additional treatment solution for gross alphas if needed. Delays, specific treatment plant needs offered by only one vendor, and increased building size are the reasons for the cost increase and the need for increased funds. The bottom line is we will receive \$3.3M in funding from the State with the breakdown as follows: \$1.179M in a 30-year 1% interest loan; \$2.121M in grants that do not have to be paid back.

Motion: Jean made a motion to agree to these terms and enable the general manager to sign for the loan. Seconded by Natalie.

Vote: Gary, aye; Jean, aye; Natalie, aye. The motion passed.

12. August 26 Public Hearing for Additional Debt: Jean Brill

The public notice for the districts August 26, 2024 Public Hearing went out in early August. Diane reported she has not received any feedback from district members about the public hearing or additional debt. Jean asked if anyone on the board receives feedback or commentary from customers to please forward those comments to Jean. All comments, including those made during the Public Hearing, will be shared with the State.

Before the hearing, Jean intends to revisit the labor rate analysis and will address how we pay for this project and what it looks like in terms of water rates, etc. These issues will be addressed during the public hearing.

13. Adjourn: Tess Kennedy

Motion to Adjourn the meeting: Jean Brill. Seconded by Gary Hebert.

Vote: Gary, aye; Jean, aye; Natalie, aye. Motion passed.

Reviewer	Status	Notes
Treasurer Green Hills	Approved ▾	Minimal edits. Excellent job!
Greenhills Water	Approved ▾	Nice job Tess!
Gary Hebert	Not started ▾	
Secretary GreenHills	Not started ▾	
Tess Kennedy	Approved ▾	