

Nov 18, 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

District members present: Jaques Behar, Paul & Christine Hirst, Louis Cooper, Lori Wentland

Others in attendance: Diane O'Connell

1. Call to Order: Gary Hebert

2. Reading of Agenda: Natalie Davenport

3. Approval of October 21, 2024 Board Meeting Minutes: Natalie Davenport

Natalie made a motion to approve the October 21, 2024 Board Meeting minutes. Seconded by Jean.

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

4. Approval of the October 2024 Disbursements: Diane O'Connell

All transactions explained to the satisfaction of the Board. See attached transaction detail. Here is a breakdown of specific transactions:

Annual Zoom subscription for \$167; #792 - Ardurra, \$500 for T.O.24-1 for general engineering consulting services; #793 - Denton Durham Jones Pinegar PC, \$4,452 for counsel work for easements and the Maple Treatment Plant bond.; #794 - Farnsworth Johnson PLLC, \$2,600 for Bond counsel work; #799 - Ogden Valley Construction, \$2,750 for work outside of monthly contract including water and sewer system, water sampling and Maple Treatment plant work; #801 - Thom Summers & Sons Excavating, \$7,300 for putting in water lateral and meter pit for new construction home on Maple; #802 - Twin D Inc, \$8,177 for camera-ing and flushing of sewer lines; #803 - Crews & Associates, \$8,000, financial advisory services for the issuance of bond; #804 - William L Prater, LLC, \$4,188, legal representation on Maple Treatment Plant loan; #805 - Chemtech-Ford, \$281, for regular September testing plus additional testing due to exceedance problem; #806 - Industrial Piping & Welding LLC, \$635,000, site development, mobilization, rebar, and utility placement.

FYI - the District received reimbursement from the State for the Industrial Piping & Welding expenses.

Natalie made a motion to approve the October disbursements as outlined by Diane. Seconded by Jean.

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

5. Q3 Budget vs Actual Review: Diane O'Connell

See handouts for Budget vs Actual and Q3 Balance sheet for details. Diane discussed the changes in the district's budget and profit and loss statement which were necessary due to the State for grants and loan approval. The changes will also help the district track and depreciate assets and assist in developing water & sewer rates to ensure adequate customer revenues for a more accurate budget process moving forward. The benefit of these changes seen in the new Profit & Loss statement is more of a comprehensive overview of the district's day to day operations and in the future will allow the district to show the expenses associated with long term need to maintain, depreciate, and plan for the replacement costs of the assets in the district's system.

Diane reviewed the income and expenses, noting positive variances in hookup fees, contract labor and insurance costs due to the plant not being operational yet. The report also shows positive variance in education expenses due to online training and a reduced office supply cost due to reduction in mass mailings. Increased expenses were incurred in sewer camera work and the hiring of a board support person. The district saved money in professional fees by having policy work done in house by the general managers (approx. \$8K.) Operationally the district is very close on budget with the variance only being about \$3600.

Jean commented that while the professional fees are lower in the 3rd quarter, the district will see an increase in the 4th quarter due to easement work and other professional expenses associated with the new treatment plant. The LCRR engineering work on asset listing is not completed. This work will be done in Q4. Natalie asked who is included in office contract labor. Jean responded just Diane O'Connell and Tess Kennedy. Steve, the water operator, is included in operating expenses. Jean stated the majority of revenue this year is coming from grants the district is receiving from the State and federal government. In Q3, this category was significantly impacted by delays in the treatment plant approval and construction.

Jean explained the new balance sheet format which includes a construction in progress account and a suspense account that was created to recognize the district's obligations while understanding the district is not sure which funds will cover those obligations. This holding account allows the district to work with the state on each expenditure to know where the money will be coming from, a complicated process. Natalie asked Jean what the \$909K in Current Assets represents. Jean stated that is money that the district has identified as being incurred for the treatment plant. On the liabilities side, the district has an obligation against the \$909K of \$675K. The current assets are a little over \$1M. This time last year the district was not close to this number.

6. Construction Treatment Plant Status: Jean Brill

The District has had two surprises since breaking ground: the need for a conditional use permit and the county is now requiring the district perform a geotech study. The geotech study is underway but it will push the project schedule back 4 weeks. However, due to the snow, there

will likely be no construction activity until spring. The setback issues have been resolved. The geotech study is not weather dependent and can be completed in the next 4 weeks.

Based on conversations with the construction manager, the District has likely been given a yes on the Conditional Use Permit. However, the district has not received notice from the County confirming the approval.

7. Board Vacancy: Jean Brill

Jean notified the County of her resignation at the end of the year and they have posted a notice of the Board vacancy. Applications for anyone interested have to be in by November 21, 2024.

8. New General Manager Status: Natalie Davenport

Natalie and Gary hope to have the job posted by the end of this week. They plan to post the notice in Rural Waters, the Valley News, as well posting it on the other side of the mountain.

9. December Public Hearing for 2025 Rates & 2025 Budget: Jean Brill

In December each year the Board approves the Budget. This year there will be another change in the rate structure due to the additional debt the District had to take on. The general manager has reached out to the new engineering firm to put together some cost estimates for certain items that have been discussed. For example, completing a Beneficial Use Survey to assess what kind of water rights the District needs because the annual cost of water rights is very high. Another major item is adding a new rate into the District's system called a Standby Fee. This is a fee charged to lot owners who have yet to hook up to the system. The purpose of the fee is to recognize the investments being made to the water system and the value it adds to their properties. The lot owners should share in the cost of these improvements.

The District will put out a notice with the rates for the December 16, 2024 meeting by the end of next week. Gary asked how many vacant lots are in the District. Jean estimated there are 14.

10. Customer Issues: Jean Brill

- a. Discussion of water meter results and potential actions:** Jean explained that when the district performed PRV maintenance it generated an action on the district's part to institute a flushing credit. A small group of homes is adversely affected by the PRV adjustments. Paul & Christine Hirst performed a test at home and learned their water meter was reading inaccurately (too high.) Louis Cooper said he also performed the test on his meter and it read too high. Patty Denks performed the test and her meter was accurate. The residents brought the matter to the Board for discussion. A bench test was performed and verified the 2 meters were not accurate. These residents would like compensation for overpaying for likely several years. One resident suggested going back as far as the records are kept to determine a dollar value. The customers attending the meeting believe the meters are the district's responsibility. Gary suggested both sides come up with a reasonable period of time to calculate a method of compensation. Natalie agreed with Gary's ideas and added that the solution has to apply moving forward to all

customers with faulty meter situations. She suggested the district begin testing meters each year.

The discussion continued about the location of old records. One resident requested a credit equal to one quarter's water bill. Gary stated this is a good starting point and would like to see further discussions to resolve the matter in a way that is fair to everyone. Jean will get the data to residents dating back to 2012. Natalie suggested the Board meet with both the Coopers and Hirsts after the data has been analyzed. This item will be added to the January Board meeting agenda.

- b. District Responsibility for Home Fire Suppression:** Jean suggested the Board table the discussion on this topic because the homeowner involved is not in attendance. Natalie made a motion to table the district's Responsibility for Home Fire Suppression discussion. Seconded by Gary. Vote: Gary, aye; Jean, aye; Natalie, aye. The motion passed.
- c. District Responsibility for Home Filtration:** Lori Wentland explained water testing being done at her home. She has been getting clay colored silt regularly but recently it turned black. The silt is turning her filters black within 24 hours. Steven has performed a water test after the filter is changed but she would like a test done prior to the filter change to help identify the problem. Jean suggested the black color could be due to manganese, which was released into the system during the cleaning of the Maple tank. Lori is very concerned about the sudden change and wants more testing performed. The Board decided to wait for the results from Lori's water samples but agreed to schedule more testing to better understand and solve the problem.

11. Adjourn: Natalie Davenport

Natalie made a motion to adjourn the meeting. Seconded by Jean.

Vote: Gary, aye; Jean, aye; Natalie, aye. The meeting was adjourned.

Reviewer	Status	Notes
General Manager Gree...	Approved ▾	Edits made
Greenhills Water	Approved ▾	

Reviewer	Status	Notes
Gary Hebert	Approved ▾	
Secretary GreenHills	Approved ▾	
Tess Kennedy	Approved ▾	