Oct 21, 2024 Board Minutes (DRAFT)
Green Hills Country Estates Water & Sewer District [DBA 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: Jacques Behar, Lori Wentland
Others in attendance: Diane O'Connell, Tess Kennedy

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1. **Call to Order: Gary Hebert**

2. **Reading of Agenda: Tess Kennedy**

3. **Approval of September 16, 2024 Board Meeting Minutes: Tess Kennedy**
   Motion made by Natalie to approve the September 16, 2024 Board Meeting minutes. Seconded by Jean.
   Vote: Gary, aye; Jean, aye; Natalie, aye. The motion passed.

4. **Approval of September 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:
   Check #782 & & 788 are customer reimbursements for bottled water purchased; Check #783 for $175 to All in One Electric for consultation due to low voltage tripping; Check #785 for $232.50 to Dennis McFarland for weed spraying in July; Check #789 for $709 to Core & Main for supplies ordered by water operator; Check #791 for $3500 to Utah Local Trust for annual premium payment for general liability insurance.

   Jean asked Diane to make sure the equipment Steven purchased from Core & Main is accounted for in the Small Tools category. Natalie asked if Steven gets approval for anything over a set purchase amount? Jean responded by explaining who the purchasing agents are on behalf of the district: Jean, Gary, Natalie, Diane and Steven. Each person may spend up to $500 by using the VISA they were issued which has a $500 limit. For higher amounts the purchasing policy approved by the Board comes into play.

   Motion made by Jean to approve the September 2024 Disbursements as explained by Diane. Seconded by Gary.
   Vote: Gary, aye; Jean, aye; Natalie, aye. The motion passed.

5. Constructions Treatment Plant Status: Jean Brill

Jean began with a side note that in the 3rd quarter Steven did not take a RADs sample. The district will likely receive a reprimand from the State. Jean explained to the State that the district was changing the process of getting a sample in the 1st month of the quarter rather than the 2nd month and she will follow up with the water operator to make sure the sample is taken each quarter. The quarters follow a calendar year and it takes 2-4 months to get the results back.

Next Jean updated the board on construction. She explained that currently the site for the new treatment plant is closed up. Earlier in the month the construction contractor contacted Jean because he discovered he was supposed to get a Conditional Use Permit (CUP) as part of the construction activity. There was no CUP requirement in the RFP, therefore the bid amount did not include this process. A CUP is a requirement and the problem is the district's project does not meet the CUP set back requirement for the building. The district has submitted a request for consideration to the Board of Adjustments for a waiver for the CUP. The Board of Adjustments is scheduled to meet on November 7th. In the meantime, there is no construction activity going on at the site. The original plan was to have the facility enclosed before winter. The construction manager, Brad Rassmusen with Aqua Engineering, reached out to the engineering firm who put together the requirements for the design and asked if they had contacted the county about the CUP. The response from the original engineering firm was that the structural engineer did contact the county and was told a CUP wasn't needed. The structural engineers have since been let go and the district has not reached out again. The above answer is Ardurra's position.

The general manager asked the construction contractor for cost estimates for this new discovery. Here are the estimates: $52,500 - $78,900 to shut down the project until spring or summer; $71,700 to remove the things already on site (rebar, concrete, dirt). Three options were presented at the meeting and estimates would be in addition to the shut down costs.

At the request of the HOA, the general manager asked the contractor for estimates on esthetics for the building:

1. Cost to make the interior walls smooth - approximately $24,500
2. Smooth exterior walls
3. Add color to the outside of building
4. Add a top access to the building if it is moved close to the well.
5. Landscaping
6. Change the color of the roof from white to tan - approximately $2100

None of these changes are agreed to yet. It will cost money to shut down while we wait to hear back from the county. Brad said he will reach out to the Board of Adjustments to see if they can meet earlier to get a decision sooner. Gary asked how long it normally takes to get a decision from the Board of Adjustments. Jean responded they usually make the decision during the meeting. Gary also asked if the county will require a public comment on this issue or can the HOA act on behalf of the public. Jean said wasn't sure and would ask about the requirements.

Jean added that because the district will have cost increases no matter the decision from the Board of Adjustments, the district will have to go back to request more money. Natalie asked if Jean believes the contractor is willing to stay on with the project despite the delay. Jean said yes, they are. Natalie added that she referenced the Utah Governance website and state law does not require a public hearing when considering a Conditional Use decision.

Natalie further asked how the “on hold” money works for payments. Jean responded the contractor will be paid as part of the normal reimbursement process. When they incur costs they bill the district monthly. We have a 5% holdback and our construction manager reviews all bills. We send the check when we get the money from the State.

Brad Rassmusen said if we have to look for a new location for the well it would be a 7 figure cost. With the 3 options to move the building that were explained by Jean, the new treatment plant would not impinge on any properties. The idea of going vertical with the building is not likely but the general manager will ask the construction manager.

Natalie asked if Option C to make the building smaller will allow the district to do the future addition for RADs treatment. Jean will ask the construction manager and be sure to include all costs associated with RAD treatment in any funding requests.

6. **Procurement Action - Jones & Demille: Jean Brill**

Asset Valuation and Lead & Copper Phase 2 are items that will need board approval to take action. One condition of getting government funding was having accurate financial statements. The district needs assistance from an engineering firm to value the assets owned by the district, many of which were put in so long ago that there are no cost documents. The tanks, wells and land all need a value assessed. Some of these items are fully depreciated. As a condition of the loan for building the treatment plant, we have a requirement to put away in a reserve account 5% of our operating budget each year, including depreciation, for repair and replacement. The district needs to hire an engineer to estimate the remaining useful life and remaining value of each item. Any asset with a value less than $5K does not have to be on the books.

Jean explained this is about asset valuation and not budgeting for future improvements or replacements. The district doesn’t have forward planning for maintenance, other than cleaning the tanks, however, there is some insight into the problem areas because of the Master Plan and a GIS database that will capture maintenance by asset information.

Natalie asked if Jean has someone in mind to do the asset valuation. Jean responded she would like to get a cost schedule estimate for valuing assets from the current engineering firm. She is also seeking to get permission to get a cost estimate on the Lead & Copper Phase 2. The district completed Phase 1, an inventory of the district’s assets and lines which are considered lead free and the lines that might or do have lead. This information has been submitted to the State. The next phase is getting a cost estimate with the scope of work defined. Natalie and Gary agreed to have Jean move forward and bring estimates back to the Board for review.

7. **2025 Budget Items Needing Board Decisions: Jean Brill**

In the Master Plan they prepared a recommended Capital Improvement list based on priority. The estimated timelines and estimated costs are provided. Jean discussed items 1- 4 on the Capital Improvement Plan. The first item, the water treatment plant is in process and will be completed.

Item 2 - Locate and survey existing pipes and update the water model is complete. The next step is to replace water service laterals that have been identified as potentially having lead. The timeline for this phase is likely the end of 2026 and the district will seek funding through the Environmental Protection Agency for this phase. The estimated cost is approximately $210K.

Item 3 - Replace the existing water meters. The administrative assistant and the general manager are working on a grant application to provide 50% of the cost for this project. The meters would be replaced with an Automated Meter Reading system (AMR) which uses software and hardware that allows a person to drive by and capture the meter reading. The current process of manually reading meters is cumbersome and labor intensive. AMR would allow for monthly meter readings, would be more accurate and timely, and would be very helpful in finding homeowner leaks sooner. AMr would greatly reduce the water operators time spent reading meters and reduce Diane’s time on monthly billing. Jean stated she will include this item in the budget for 2025. She estimates the cost will be $95K and the district will cover half the cost. She is aware this item is still up for discussion but would like board members to seriously consider moving forward.

Item 4 - Add a mobile generator to Booster Pump (Kelly Well) - Kelly well booster pump is the only way water gets to the Upper Kelley residents who rely on the Upper Kelly Tank. If the pump loses power it would be great to have an alternate power source. The generator plus set up costs would be approximately $50K.

Jean will put together a new set of user rates that will incorporate these items. She added that she will include increases for lot owners, not just users of the water system, due to the significant investments being made to the water system. Previous rate increases have only applied to users. Moving forward on these items will need approval before the end of the year Public Hearing on rates and budget.

Gary asked if other solutions to achieve the same results to improve the system had been considered. Some of the items might have a different solution that offers a better return on investment. Natalie asked when the Maple Well was installed. Jean said in about 1999 and the Kelly well was installed in approximately 1979. Gary added that he believes the Kelly well is a stable well and low maintenance while the Maple well will always have cost issues because of its depth. Natalie further asked if the district has considered how the placement of the treatment plant relates to the potential maintenance of the maple well. Jean said if the treatment plant is moved close to the Maple well they would need to install the roof access. Gary added that if the Maple well has to be moved it is a huge issue and one the district would likely not consider. He believes the district will have to replace the Maple well pump at some point in the not too distant future and the district needs to build Maple well pump maintenance into the budget.

Natalie explained she is working on the job description for hiring a new general manager and will meet with Gary to get the job posted by November.

8. **November Public Hearing for 2025 Rates & 2025 Budget: Jean Brill**

   Each year the Board holds a public hearing to get input from customers regarding rate changes and the next year's budget. Jean clarified the process for a public hearing and asked for it to be scheduled. The public hearing was originally scheduled for November 18, 2024 but after a discussion it was agreed to hold the hearing on December 16, 2024 at 7pm. The November 18th meeting will be a regular Board meeting.

9. **Vote: To Conduct Closed Board Meeting per Utah Code 52-4-205 (c) following the October 21, 2024 Monthly Board Meeting**

   Motion made by Natalie to conduct a Closed Board Meeting following the October 21, 2024 monthly Board Meeting. Seconded by Gary.
   Vote: Gary, aye; Jean, aye; Natalie, aye. The motion passed.

10. **Resignation: Jean Brill**

    Jean formally resigned as a Board member of the district's Water Board and as general manager for the district effective at the end of this calendar year. The Board accepted Jean's resignation

11. **Adjourn: Tess Kennedy**

    Motion to adjourn made by Natalie. Seconded by Jean. The meeting is adjourned.

Reviewer	Status	Notes
Treasurer	Approved	Made edits for clarification
Greenhills Water	Approved	

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