

Jan 20, 2025 Public Hearing 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: Gary Hebert, Natalie Davenport, Greg Liddell (Zoom)

District members present: Jacques Behar, Bud & Jenny Wheeler, Cindy Crawford(Zoom), David C(Zoom), Brad Johnson(Zoom)

Others in attendance: Jean Brill, Diane O'Connell, Tess Kennedy

1. Call to Order: Gary Hebert
2. Reading of Agenda: Tess Kennedy
3. Introduction & Swearing in - New Board Member: Gary Hebert
(This was held at the end of the hearing.)
4. Approval of December 16, 2024 Board Meeting Minutes: Tess Kennedy
Motion made by Natalie to approve the December 16, 2024 Board Meeting minutes; seconded by Gary.
Vote: Gary, aye; Natalie, aye. (Greg was not sworn in yet). The motion was approved.
5. Approval of December 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:

Check #820 to Chemtech Ford for \$915 - October Radium test, November monthly testing, and November customer testing.

Check #821 to Industrial Piping & Welding Inc. for \$85,500 is for work completed through November. The primary charge was Trimite equipment used.

Check #822 to Jones & Demille Engineering for \$2,050 for engineering support work including Blue Stakes mapping, kickoff meeting and contract administration and general engineering services.

Check #824 to Weber Basin Conservancy for \$13,748.75 for our annual watershare purchase.

Check #826 to Aqua Engineering for \$6,612.50 for engineering services related to coordinating services with contractors, building departments, and permits for the new treatment plant.

Check #828 to Dentons Durham Jones Pinegar PC for legal expenses in October & November - regarding easements, standby and impact fees.

Check #832 for \$1,233.33 to the Utah State Division of Finance for interest payment on loan.

Motion made by Gary to approve the December 2024 Disbursements as presented by Diane; seconded by Natalie.

Vote: Gary, aye; Natalie, aye. The motion was approved.

6. Resolution 6-2024 Corrected Dates Version: Tess Kennedy

Tess read the corrected dates in Resolution 6-2024 Construction Grant Agreement. The authorization date was corrected to June 25, 2024 and the effective date in the last paragraph was corrected to December 5, 2024.

Motion made by Gary to approve the corrected Resolution 6-2024; seconded by Natalie.

Vote: Gary, aye; Natalie, aye. The motion was approved.

7. Introduction of Public Hearing on Tentative 2025 Budget: Gary Hebert

Gary introduced the Public Hearing on the Tentative 2025 Budget. A public hearing is required before the Board can pass the new budget. Gary reviewed the rules of engagement: 3 minutes for each person to speak; the Board will try to answer questions within the time constraints allowed.

8. Open Floor for Public Comment Period on Tentative 2025 Budget: Gary Hebert

Cindy Crawford: asked if the rate increases presented are actually 41% in 2025 and 42% in 2026? Jean Brill responded by explaining the spreadsheet provided and the spread sheet pertains to 2025 only. She confirmed the rate increase in 2025 is 41%. Cindy asked if the rate increase is mostly due to debt service. Jean responded that there are a number of big ticket items that determined the increase. She reviewed the larger expenses included in the budget:

- The new treatment plant and operating supplies for the new treatment plant
- Utilities for the treatment plant
- State requirement to have assets recorded in order to track depreciation
- State requirement to set aside capital reserve funds as part of the loan agreement
- Hire a part time General Manager to replace the volunteer GM currently in place
- Office support will increase
- Interest expense on the 30-year loan
- Professional fees - district engineer services and legal counsel
- Debt service to pay down the loan

These are all expenses the district has not historically had in the budget.

Jacques Behar asked how long the water & sewer district had been operating. Jean Brill Responded since 1979. Jacques followed with the question “how long have we operated without an office manager? Jean responded the office manager has been in place since about 2013. Jacques asked how long the district has had an administrative assistant. Jean responded since last year. Jacques stated the district is now getting a general manager and for about 40 years the district operated without all these positions and now the district is having rate increases because they are piling on and adding more expenses. He state “the expense is what drives the income which drives the rate. So if we have lower expenses we could afford to have lower income

which would mean a lower rate. Am I correct in my accounting?" Jean responded yes. Jacques continued that it is only now that we are adding all these extra costs. Jean responded the district is no longer invisible to the State. Gary added that the Board understands his concerns with the rate increases and he also is a homeowner and very aware of the level of responsibility. The Board is looking at the costs and is open to any suggestions. He added the level of resources the Board managed 10 years ago is very different from the requirements today.

9. Motion to Close Public Comment Period on Tentative 2025 Budget: Natalie Davenport

Natalie made a motion to close the Public Comment Period on the Tentative 2025 Budget; Gary seconded.

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

10. Introduction on User Rate Increases & New User Rate: Jean Brill

Jean explained the User Rate increase and new User Rate - Standby fee. The Standby fee is standard in the industry and in Utah. The fee is charged on undeveloped or unimproved properties within a service area to have lot owners pay for the availability of water service. Jean reviewed the User Rate handout.

11. Open Floor for Public Comments on User Rate Increases & New User Rate: Gary Hebert

Jacques Behar stated the 41% increase will price some people out of the market. What will this do to our property values? Gary responded that is certainly a possibility. He added, the district is between a rock and a hard place for what the district has to do to maintain water quality for people in the neighborhood. Jean said the district only has a maximum of 125 users. The investments being made in such a small community are significant. Natalie added the district has had 40 years of no foresight to put aside reserve funds. She explained there was no thought as to how to care for the district's assets and the district has an immediate need and requirement by the State to implement the improvements and it is an unfortunate expense that the Board is trying to make work.

Gary thanked Jean for all her hard work on securing low interest loans and grant money that significantly reduced the cost of these improvements for the district.

Bud Wheeler commented that under the tier structure with water pricing, there is a 41% increase as well. He stated he and his wife have continued to shut down exterior water and reduce usage and wondered if this will have an effect of flatlining revenue. He asked if the tier increases were lower would usage increase and therefore revenue would increase because people would use more water. His second comment pertained to the construction site being shut down and leaks occurring and wondered if someone will be held liable for those actions.

Jean commented that the bulk of revenue should be from basic water usage. She explained the structure put in place assumes a level of usage of 10,000gal/month. The average amount of usage

has not been looked at in a while and she agreed it probably should be looked at again. Gary agreed this would be good to review.

Gary thanked the participants for providing comments.

12. Motion to Close Public Comments on User Rate Increases & New User Rate Natalie Davenport

Natalie made a motion to close the Public Comment Period on User Rate Increases and the New User Rate; Gary seconded.

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

Gary Thanked Jean for her time and talent serving on the Board for 12 years.

Following the public hearing, the Board went back to agenda item 3 and introduced and swore in Greg Liddell as the new Board member. Greg will also take over Jean Brill's duties as treasurer.

13. Adjourn: Natalie Davenport

Motion made by Natalie to Adjourn the Hearing; Seconded by Gary.

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

Reviewer	Status	Notes
Treasurer Green Hills	Approved ▾	
Greenhills Water	Approved ▾	
Gary Hebert	Approved ▾	
Secretary GreenHills	Approved ▾	Minor changes
Tess Kennedy	Approved ▾	