

January 24, 2024

SMSSD Public Hearing for Rate Increase

Welcome to all members and guests

Opening Prayer: Don Hunter

Explanation of the county attorney's opinion on two expired board member terms. They can contribute in their role, but can't vote on any motions or actions.

Motion made by Beca to open the Rate increase hearing, seconded by Craig. Rate increase hearing open.

Introduction of the comparisons provided by Zions Public finance in helping to determine predictable revenues according to historical expenses and provide a path forward for a predictable stable economic future.

Option 1: Do nothing and let rates remain as they are.

If this option is exercised we will not be able to make bond payment in the fall or possibly meet other financial obligations. Craig stated "Since the past two years in the fall we have been \$10,000.00 or so short in making our bond payment on the October due date and have had to ask the Drinking Water Board for a two week extension to complete our obligation, I promised that that would not ever happen again".

Option 2: Proposed increases: \$10.00 per month for those that are connected to the system or have water available and \$5.00 per month for those on the mountain and in Birch Creek.(both improved and unimproved)

This option provides sufficient revenues to meet all historical obligations and financial stability for several years into the future.

Additional information outside of the bounds of the proposed rate increase is the potential for the refinance of our bond for the improvement of the Thad's Peak fill station and storage tank. The improved storage tank capacity of 30,000 gallons would significantly improve fire mitigation by providing the capacity to fill brush trucks and helicopters for fire fighting. The refinancing of the bond will lower our interest rate from 2.5% to 2.09%

which would be a savings of \$60,000.00 in interest over the life of the bond. The bond would be significantly smaller, thus saving approximately \$20,000.00 in principle payments annually. The additional increase in the current principle balance of the bond would go towards the new tank and fill station on Thad's Peak. The savings result would be similar to increasing revenues by about \$22,000.00 annually.

Public input: Many questions and comment predominantly positive and understanding. Some were opposed.

Following the comment period a motion was made by Beca Mark to pass the rate increase resolution representing option 2, seconded by Craig Godwin.

Motion passes with positive vote from Beca and Craig and negative vote from Trent Anderson. Rate increase resolution 2024-1 approved.

Motion made by Beca Mark to close the rate increase hearing. Seconded by Craig Godwin. Motion passes. Rate increase hearing closed.

Motion made by Beca Mark to open the public hearing for the 2024 Revised final budget hearing, seconded by Craig, motion passes, Budget Hearing opened.

With the approved rate increases we can now project a 2024 budget based on historical budget revenues with the rate increases applied.

Roy presented the revised 2024 budget.

Short question answer period.

Motion made to accept the revised 2024 budget by Beca, seconded by Craig.

Motion passes. 2024 Revised Budget approved.

Motion made to close the budget hearing by Beca, seconded by Craig. Budget hearing closed.

Motion made by Beca to open the SMSSD board meeting, seconded by Craig, motion passes. Board meeting open.

Previous meeting minutes and financials were sent to board members earlier for their review.

Minutes were read. Trent indicated that he had not had time to read and review and had some additions he wanted to include. Said he would send along those additions to Roy for inclusion and approval at our next meeting.

Financials were reviewed by Roy and motion made by Beca to approve the financials as read, seconded by Craig. Motion passes. Financials approved.

Water system update: System in good order with exception of a need to repair a booster pump motor.

Report from SMR Liaison: Nothing to report.

Motion made to adjourn the SMSSD Board meeting by Beca, seconded by Craig. Motion passes, meeting adjourned.