

**GREEN VALLEY DOMESTIC WATER IMPROVEMENT DISTRICT  
PUBLIC HEARING  
MINUTES  
Wednesday, May 22<sup>nd</sup>, 2024**

Board Present:	Eric Sullwold Robert (Bob) Hedden John Green George (Doctor) Orndorff	Edwin (Ed) Storey Joseph (Hart) Krumrine Darlene (Dar) Hollingsworth
Board Absent:		
District Staff:	Dara Duffy	Lora Burruel
Advisors:	Lee Lemas	
Clerk of the Board:	Luis Rodriguez	
Public Present:	Ray Weisgarber Norma Zarlow Tim Anderson	Craig Hardy Curt Wagner Steve Ball

1. Call to Order and Roll Call – Chair, Eric Sullwold  
The public hearing was called to order at 9:03AM by Chair, Eric Sullwold. Roll call was taken. A quorum was announced with Seven (7) Board members present.
2. Presentation of the proposed 10% rate increase for residential and commercial customers.
  - A. Finance Committee Chair, John Green. The Chair provided an overview of the global economy’s impact on the District’s fiscal year Budget. The overall goal of the proposed Budget increase is to address the cost of living, maintain adequate reserves, while protecting our debt service.
  - B. The District Manager provided a detailed explanation of the infrastructure, mandated support requirements, along with current and future projects. The key drivers associated with cost increases were explained in detail. The District’s cost-saving efforts being instituted were also explained. The current residential tier structure and average monthly water bill were compared with the proposed ten (10) percent increase.
3. Call to the Public – Chair Eric Sullwold.
  - A. Ms. Norma Zarlow
    1. Many District customers are upset at the rate increase. Ms. Zarlow thanked the Board and District staff for their detailed explanation for the rate increase. However, very few customers are aware of the District’s costs to meet and exceed governmental requirements to provide safe, high-quality water to its customers.
    2. Many customers are confused by the \$3.00 surcharge which was implemented for the final four (4) months of the current FY2023-24 versus the ten (10) percent increase proposed for FY2024-25. The District Manager and Board recognized the potential for misunderstanding and will provide a clearer explanation should a surcharge be required in the future.
    3. What internal cost-saving measures has the District evaluated and/or implemented? The District Manager gave examples such as the new arsenic treatment media, conducting cost/benefit analysis for all projects, The FlexNet meters have provided a reduction in manhours to read all the meters every month, the improved rate tier structure.
    4. Why does the District have so many new projects? The District Manager clarified that Capital projects are funded from the Reserves. The Technical Committee Chair explained the purpose of the Capital Budget is to improve the system. The Green Valley Water District has minimized water loss to 2.5% opposed to the national average of 10% water loss.

5. Why was there a \$349K deficit for FY2023-24? The Board Chair explained how the District and Board of Directors were unaware of the Auditors debt ratio calculation until the end of the fiscal year. Procedures have been put in place to ensure that the Debt Ratio remains above 130%.
6. Will the 10% rate increase continue every year? The District stated the 10% rate increase is not an annual event. The reality is that the 10% figure is 7% plus the previously approved 3% increase for a total of 10%.

B. Mr. Tim Anderson

1. Why is his water bill so high despite his minimal water consumption? The District Manager informed him that the standard base fees apply to all residential customers to cover the cost of operating the water system infrastructure.
2. How does the District notify a customer if their water usage is abnormally high? The District contacts the customer by telephone or email (if an email is on file).

C. Mr. Steve Ball

1. Stressed the importance of communication between residents and the District. The Board Chair explained that the District complied with Arizona Revised Statutes which require publishing the Public Hearing Notice twice in the legal notices section of our local newspaper, on our website and the Public Notice Board at District Headquarters. The Technical Committee Chair acknowledged Mr. Ball's comment regarding improved communication. The Board and District have become attuned to the impact of poor communication on the residents. The Business Operations Supervisor explained previous attempts to improve communication and will continue to explore more options.
2. Reiterated the District customers' misconception that the 10% rate increase was in addition to the previously approved 3% increase.
3. Will the water bill ever decrease again as in 2018? The District Manager explained the 2018 decrease was attributed to the improved rate structure tiers which were implemented that year.

4. Summary. Chair – Eric Sullwold. The Chair thanked the attendees for their presence and input. The Chair affirmed the Board and District's desire for total transparency and the need for improved communication. An invitation was extended to those present to volunteer on any committee as they are the backbone of the Board of Directors.

5. Adjournment

- Motion to adjourn the meeting.

Move: Ed Storey      Second: Dar Hollingsworth      Approved: 6/0      Abstain: Chair

The meeting was adjourned at 10:35AM.

Green Valley Domestic Water Improvement District

Minutes approved on 06/26/2024