MINUTES OF PUBLIC HEARING

May 23, 2017

A Public Hearing was held on May 23, 2017, pursuant to Resolution and Notice of the Lockwood Water and Sewer Board's intention to increase rates for the users of the District's Water and Sewer Systems. The meeting was called to order by Board President Carl Peters at 7:00 p.m. in the Commons Room of the Lockwood Middle School, 1932 Highway 87 East in Lockwood, Montana.

Lockwood Water and Sewer District Board members present were Carl Peters, Nancy Belk, Carlotta Hecker, and Stuart Deans. Board member Merrill Walker was excused. Also present were Lockwood Water and Sewer District Manager Mike Ariztia, Assistant Manager Tony Reed, Barbara Nies, Lockwood Water and Sewer District secretary, Andrew Rheem of Raftelis Financial Consultants, Evelyn Pyburn, *Yellowstone County News*, and Marilyn Niezwaag, Recorder. In addition, 27 people signed the attendance record, and there appeared to be many that did not sign in.

Manger Ariztia noted there was a table that was not included in the original announcement that caused confusion. It was for customers or existing properties within the Phase II sewer boundary. In the letter were numbers for properties that were subdivided or newly created lots within the Phase II subdistrict that didn't exist at the time the sewer was put in. That is why it appeared to rise significantly from $195 to $1,695 in the first year. The correct increase in 2017 was from $195 to $385 for existing properties in Phase II.

Manager Ariztia introduced Andrew Rheem of Raftelis Financial, who has been conducting the rate study for the District, and proposing a financial plan for the District to move forward. Mr. Rheem is employed by Raftelis Financial Consultants, a company registered with the SEC as a registered municipal advisor. His presentation covered the two components of the study. The first component is the recurring monthly charges that water and sewer customers receive each month. The second component is system development fees.

As part of the study and evaluation, graduating rates were developed to cover a four-year period. Most customers on the system have the 3/4" diameter water meter and the base charge is $15 per month. Over the four-year period, the increase will be roughly 20 cents per month for the vast majority of customers.

The other component is the usage rate. Everyone pays $3.70 for every thousand gallons that's metered. The typical or average customer on the water system uses 6,000 gallons per month and is served by that 3/4" base meter size. Those customers are paying in the water portion of the bill, roughly $37 per month. If the increase in both the base rate and usage rate is implemented, it would increase that customer's bill $2 a month.

Pat DeWitt: Are you anticipating a continued increase in the rate for water usage over the foreseeable future as opposed to just three years?

Mr. Rheem: We did look at a ten-year period and we evaluated generally the increases that have been identified in years five through ten are at the same amount on the rate side or lower. But we want to look at a ten-year period because of those capital plans where there may be a big project in year seven or eight that may drive decisions today. What we're proposing is really covering this four-year period and the District would anticipate future evaluation that would cover years five through ten within the plan itself.

Mr. DeWitt: Well, the reason I ask is because doing a little rough math on this, you're talking about over a three-year period roughly a 26% increase in rates, which when you project that out to ten years, runs up to about an 80% increase in water usage rates.

Mr. Rheem: That, again, you can extrapolate and extend the four years and say it's not 4% a year in years five through ten. It really comes down. But again, that's projecting. There's a lot of things that could change and could affect those years. So, we can speculate and extrapolate, but I don't know that's going to help us when we're talking about the next four years. That's just my own perspective. Just to add to that if we were to look at the history and take that same perspective and see the last three or four years where the water rates didn't increase at all. We want to get on a periodic and smaller type cycle, but we're not necessarily here to set rates over that ten-year period for what has been proposed for the cover of just that four-year period, and that's what the District Board had essentially acted on and focused for the discussion we've had tonight.

Audience: This system development fee is a huge hit, not the monthly. But can I ask, why on a month's notice, why wasn't that perhaps spread out over 12 months?

Manager Ariztia: I can answer your question now, or once we go through the sewer fund, and then the next section will be all of the system development fees.

Audience: I'm just concerned because I work at night.

Manager Ariztia: As part of the rate study we went through and evaluated the system development fees to cover costs to go to capital projects and funding, and it was determined that we haven't been collecting what we should be collecting for system development fees to plan for future expansion, to plan for repair and replacement of existing facilities, and the big thing is for getting new development to pay for their share of what's already in the ground and what needs to be constructed to accommodate not only them but all existing customers.

Audience: But we all pay development in this $1,225?

Manager Ariztia: Right. And really that hasn't changed. It's going up depending on what area you're living in.

Audience: Phase II.

Manager Ariztia: So, existing customers and existing lots in Phase II, the City of Billings fees you have to pay are currently $905. Right now you pay $195 to Lockwood Water. That's going to go up from $195 to $385, so it's going to go up roughly $200.

Audience: But I was told that this water SDF is (inaudible)

Manager Ariztia: Are you connected to water already?

Audience: Yeah, water I am.

Manager Ariztia: Then you don't have to worry about a system development fee because you're already connected. That's for people who aren't connected.

Audience: Okay, I was told something different.

Manager Ariztia: Unless you're taking your current property that you own and subdividing it and creating a brand-new lot, at that point you would have to pay that Phase I system development fee. But if you're an existing customer for the existing lot and you have service to it already, you're done, you don't have to pay a system development fee for the lot.

Audience: Right now it's $195 plus the City?

Manager Ariztia: Yes. $195 plus the $905 for the City of Billings, so it comes out to about $1,200.

Audience: So it is $1,200?

Manager Ariztia: Yes.

Mr. Rheem advised that there are the same rate components on the sewer side. The current base rate is charged by water meter size, and for a majority of customers, the base rate is $46.30.

Audience: If you're hooked up to sewer, right?

Mr. Rheem: Correct. This only applies for those customers that are on the sewer system or will be on the sewer system.

Now, as you'll notice that as we've looked out in the four years, we are not projecting to adjust or increase this base rate. It will be maintained and proposed to stay at the $46.30 per month and increasing from there by meter size.

Vikki Leatherberry: Now, is that for everything, or is that $46 for water to come in and $46 to be taken back out to Billings?

Mr. Rheem: This covers the sewer side of things, so say that $15 for the water coming in, that would be today on top of that $46.30.

Ms. Leatherberry: So, you'd add 15 on to that?

Mr. Rheem: Correct.

Ms. Leatherberry: Okay. So, it's not 46 in and 46 out?

Mr. Rheem: No, no. Water is 15 and then sewer --

Ms. Leatherberry: It just depends on how much water you use coming in, but it will always be 46 for sewer?

Mr. Rheem: And this is without usage. Let me jump to there is a usage component that is $1.10. So, again, this is for residential customers based on water that's used in the winter period. And so there is a usage level that for every thousand gallons of water that's used in January, February, that winter period, today it's $1.10. This covers not just the District's cost but also City of Billings charges as the District conveys that wastewater to the City of Billings and they treat and meet the environmental regulations. That's part of this $46.30 and $1.10 in total.

Ms. Leatherberry: So, on the 46.30, then, is that for 6,000 gallons of water?

Mr. Rheem: No, it's for zero. It's a flat base rate.

Ms. Leatherberry: So, whatever water you use makes it go up.

Mr. Rheem: You got it.

Ms. Leatherberry: So, it could be like $90 a month bill.

Mr. Rheem: If you're using that much water in the winter period, it could be.

Ms. Leatherberry: Well, if it's summer or whatever, I just want to know if I'm going to have it every month. You know, we don't live on a big income. I don't want to say oh, I only have to pay $46 when I'm going to be having to pay 90.

Mr. Rheem: Well, depending on usage, some customers may have that much in the winter period, but the $90, I would say unless you're using a lot of water in say January and February as a residential customer, I don't know that your sewer bill is going to be that high.

We are anticipating holding the base rate, not changing it. We're adjusting and increasing the volume rate that's $1.10 per thousand gallons today and proposing to increase it roughly 21 cents per thousand gallons the first three years, and 22 cents in the last year.

Gordon Klasna: Laurel's bills include their garbage rates as well. Is that taken out of this?

Mr. Rheem: It is. This is just water and sewer, so if there's other things, sanitation, storm water, we've excluded those to just focus in on water and sewer.

Sue Vinton: I'm Sue Vinton, I represent House District 56 which includes all of the residents here in Lockwood.

Two questions; one, you've given us a slide show here, but is that Power Point available online or on your website somewhere?

Manager Ariztia: Yes, I could go ahead and put in on our website, and then people can get on the website and look at it and download it if they want to.

Ms. Vinton: My second question is just hearing some discussion that there are large fees involved, up-front fees, is there a way to pay over time that could be set up with the sewer administration?

Manager Ariztia: Currently the District has no mechanism or policy to make payments on any of these types of fees. If that's something that you feel is necessary, you always have the option to go before the Board, or you can bring that question before the Board. As of right now, there's no policy in place that allows us to take payments. We are in the process right now of doing testing of our billing system, and hopefully the first part of June we'll be able to start taking credit cards.

If you want to come into the office, there is information for some funding programs where if people can meet some income guidelines or some other stipulations, they can apply for some grant funding to assist them. The paperwork is in the office to get you started.

Audience: You know, one of the first meetings we held there was information about that, if you had really good credit, which I do, but they wanted really good credit and they ask you why you're running it through your credit card instead of getting it financed.

Manager Ariztia: Yes, there's some new ones. We received some information probably two or three months ago for a new program. That is out there on the table.

Donnie Sessions: Since we're talking about fees, talking about the rate increases for the sewer, is it possible to pay the 1200 and some dollars now kind of like buying stock, set it aside for the rainy day when we have it completed?

Manager Ariztia: As of right now. any customer within Phase II can come in and pay that system development fee and be locked in. Like I mentioned earlier, though, at some point in the future there will be a stipulation allowing a certain period of time, two years, five years, whatever time you pay it until the time you connect in, otherwise beyond that period of time you would have to pay the difference between what you paid and existing fees. That's currently not in place.

Mr. Sessions: If we did it right now, would it be grand-fathered, or say like I didn't do it for ten years?

Board President Peters commented he thought that it was brought before the Board and discussed as a five-year deadline.

Manager Ariztia advised it was discussed but it was not put into a policy. At that point in time the Board would have to decide whether that impacted people that have paid before the time the Board made a motion to set the deadline in place, or if it would just be for that time going forward.

Audience: So you're not going to do it before 9:00 o'clock tomorrow morning, are you?

Manager Ariztia: No.

(General laughter.)

Mr. Sessions: Would I actually be grand-fathered in if I bought it in, or am I still having to pay an increase say you guys changed the rules in five years?

Manager Ariztia: There's nothing in place right now. So I can't speak for the Board. I would tend to believe that at the time they may have made that motion to enact that time difference, it would be from that period forward, but I can't guarantee that. They could say that anybody before that time period has to fall within that period for five years from that going forward so you have five years.

Mr. Sessions: Is there anyway to get something in writing if a guy did that now? Is there something that could be put before the Board so that a guy can know what he's being subjected to?

Manager Ariztia: Our next Board meeting is the second Wednesday in June, so potentially they could put it on as an agenda item for the Board to discuss at that time.

Audience: (Mostly inaudible, but complaining about resolutions coming about with no voting, no discussion by public.)

(Many people talking at once.)

Audience: Who draws the interest on this money being put in?

Manager Ariztia: What happens is once a year I take the $905 portion of it and send it to the City of Billings for your treatment plant capacity, because once you pay, you are in essence paying for that portion of the capacity that's waiting for you at the treatment plant. And the other $200 portion at the time you pay is a system development fee for us that goes into an account towards future capital projects. It doesn't go into the operating fund, it goes specifically for capital improvement projects in the future.

Audience: So what is the current hookup fee if we want to pay and hook up right now?

Manager Ariztia: The SDF hookup fee for the City of Billings for sewer and the Lockwood Water and Sewer application fee and inspection, is $1,241.20.

Assistant Manager Reed: That's the total.

Audience: What's this $195 here then, this current?

Assistant Manager Reed: That's the Lockwood portion. The City of Billings doesn't get that portion. They get the 900.

Manager Ariztia: Does anybody have any questions specific to water or sewer rates?

Paul Sutherland: On the sewer rate, you have a dollar something per thousand, you said you set that in February. I use sprinklers, so if I use 40,000 gallons of water in the summer to water my lawn, I'm paying that dollar for the water I use in my sprinkler?

Manager Ariztia: No, it's based on a four-month winter usage, so November, December, January and February.

Mr. Sutherland: So if you use 5,000 in the wintertime, it's about $5 in the summer (inaudible).

Manager Ariztia: Correct. Unless – let me caveat that, unless it's a commercial business, and then it's dollar for dollar on your rate.

Any other questions on user rates?

(No response.)

Mr. Rheem advised they are working towards a single system-wide fee to eliminate the higher mid zone fee as there may be other service areas in the future that have similar types of requirements. For the 3/4" connection, in four years that will be $6,000 as a one-time fee and that only applies to people that are not connected to the water system today.

Manager Ariztia called for any further questions on system development fees.

Audience: Is that $6,000 for new customers?

Manager Ariztia: Yes. If you are already connected in, you don't have to worry about system development fees. If you split your lot, like we talked about in the sewer, and you create a new lot, then that's where it would come into place. But as long as you have water currently, there's no system development fee that you would have to pay, so you really don't have to worry about it.

Ms. Leatherberry: So if you buy a new place, you have to pay $6,000 to change it over?

Manager Ariztia: If it doesn't already have water.

Ms. Leatherberry: It has water though, then that's fine?

Manager Ariztia: Yes, that's fine, as long as it has water to the property, and it's servicing it right now, that means it's been paid for that property and it never has to be paid again.

Robert Riehl: Only for new development.

Manager Ariztia: Only for new development.

Ms. Leatherberry: Good.

Bob Abelman: I live on Enfield. The subdivision behind us is currently expanding. Now, is the developer responsible for the fees for system development, or is it on the individual lots?

Manager Ariztia: That depends on the developer. A lot of times the developer will put the mainlines in, he'll run the service to the property and then never actually builds the homes on those lots and subsequently sells the lots. The one who buys the lot is the one who pays those fees. The developer who puts the infrastructure in the ground can pay those fees, but more than likely they will just raise the cost of those lots to whoever buys them and puts houses on them.

Mr. Abelman: And that $6,000 would be per lot?

Manager Ariztia: That would be per lot, yes. So if they sold the lot to me, then built a house on it, I would have to pay that fee for water, and if it was available for sewer at that time to be able to connect into the house.

Mr. Abelman: Would the Lockwood Water and Sewer District eventually require new developers to install sewer and waterlines even if there's not a connection for present use?

Manager Ariztia: If there's not water currently available, then we can't require them to hook in. If it's not available within I think it's 300 feet or so of the property, then they can do the well or the septic tank. If public facilities are available within the 300 feet or so, then they are required to connect in at that time.

New developments that are going in, subdivisions and things like that, they have requirements too when they go through a zoning process, that they look at those and determine whether those facilities are available and able to connect into. If somebody moved out say a new development a half mile of where we currently have water or sewer, then they wouldn't be required to put in water or sewer facilities that may never be used.

Any other questions?

Audience: What if you tried to sell a house, would the new buyer have to hook up or would the seller have to before they left the property?

Manager Ariztia: The District has no requirement that a property connect to the sewer upon sale of the property. Now, with that said, we have heard that there are some lending agencies that say sewer is available to the property and we want it connected in before the escrow will close. That is completely separate from us and I think it varies on the different title companies, the different lenders

Audience: Okay, so what if somebody decides to buy a house a couple years down the road and that previous person decided to hook up, would they have to pay the rate?

Manager Ariztia: Yes.

Audience: So, that would be whoever --

Manager Ariztia: So if you sold your house four years from now, and you never connected into the sewer, and then at that time a lender or the people who wanted to buy, then they would have to pay whatever that rate was for that year. They would have to pay that $539 plus whatever the City of Billings fee was at that time.

Mr. Klasna: Say I came in tomorrow and I paid my fees at the current rate, I hook up and I sell my house. If those fees are already paid, is he charged for that property?

The next question I had, so you said like $1228 or whatever, that whole fee is without contractor, correct?

Manager Ariztia: That's correct. That's just what you have to pay to us to connect in to include inspections and permits.

Woody Woods, former Manager of the District, commented following up on Donnie Sessions' question, that the Phase I sewer system is six years old and Phase II is not even a full year after construction to allow people to hook up. Did the Board think it would be prudent to take those numbers and move them back three years. It seems to him it would be a good measure to move those back, give those people in Phase II more time to save money to hook up. It is his opinion that in the long run more people will be encouraged to hook up if the fees are extended three years. He asked that the Board take that into consideration.

Manager Ariztia: You're talking about pushing that increase out?

Mr. Woods: Yes, extending it. He went on to state $195 doesn't seem like much, but a lot of people have been saving for this. It was a lot of hard work to put the sewer system in, and there are a lot of people that are wanting to hook up. Like Donnie Sessions said, if I pay my fees now, what guarantees do I have when I'm ready to hook up that I don't have to pay the additional fees. It seems reasonable to him to extend those fees out for three years and give people more time to get their finances in order and be ready to hook up.

Manager Ariztia: You're speaking specifically to existing Phase II customers?

Mr. Woods: Existing Phase II.

Manager Ariztia: But leave the new development Phase II the way it's shown?

Mr. Woods: Right.

Mr. Abelman: When was it official that Phase II was allowed to start hooking up to the sewer? It was fairly close to winter.

Manager Ariztia: Yes, it was, I want to say September 1st.

Mr. Abelman: The opportunity to hook up was real limited. And now from here to July, the opportunity is even more limited. So when you look at the reality of when we could hook up versus July 1st, there isn't very much time when you consider the winter was frozen ground.

Manager Ariztia: Four or five months.

Mr. Abelman: Yeah, so his comment maybe that July 1st should be September 1st or something, so we've had a year to hook up, you know.

Manager Ariztia: Just kind of sliding everything forward a year.

Audience: Just like a year, so everybody knows --

Manager Ariztia: So those new rates would go into effect say, July, 2018?

Audience: Because it is hard to hook up.

Casey Slough: I live on Saddle Lane so I don't have sewer down my street yet, but two things we were told in previous meetings when Phase I first started being built in 2010, we were told at meetings that the people that hooked up all those businesses along the Old Hardin Road were going to pay for that and we would not get charged when the rest of the system hooked into it. We were also told that when more people hooked up, the price would go down.

Audience: They sure haven't gone down.

Manager Ariztia: I can't speak to that.

Mr. Slough: Somebody should.

Assistant Manager Reed: He wasn't here then. Woody was here. I think what we're talking about, though, is when Phase I went in, there was a lot of grant money that we got that when we put the mainlines in down Old Hardin Road, the big ones, they were common to all, so obviously the SDFs and things like that were going to have to help pay for that as you connected into it.

Mr. Slough: That's not what we were told at meetings. The businesses were going to pay for that and any else that hooked up wouldn't be charged.

Manager Ariztia: Now, I can tell you that on Phase I, that some of those commercial businesses are paying more because Phase I assessments are based on taxable value, whereas Phase II assessments are a flat fee on every property. The higher value properties in Phase I are paying a greater amount based upon the taxable value. As far as the rates going down --

Mr. Slough: It's not going to happen.

Manager Ariztia: You saw the cost associated with just operation and maintenance and then there's costs we have no control over coming from the City of Billings.

Assistant Manager Reed: I think the Board, if the Board ever saw the sewer side of the Water and Sewer District were ever in good enough shape that the rates could go down, it would probably be done. But the problem is right now we have to pay for what we have in the ground, and having people hook up is key for that.

Manager Ariztia: I do think as more people connect in, we have anticipated a certain growth percentage in these as far as the rate increases go. The more people that connect in and the more people that we have using the system, I think that will reduce the amount that rates might need to go up in the future as more people connect in.

Nancy Belk: What to remember is at those meetings, when we were doing the GO bond, and Phase II was not done on a GO bond, Phase II was done on flat fee, so that is a different kind of fee. As the property developed, they would do more subdividing and changes, and so if there's more taxable value, taxes go down.

Mr. Slough: So it was essentially used as a selling point to say well, if more people hook up, then the price will go down.

Nancy Belk: The taxes will go down, but that is a different way to assess.

Manager Ariztia: I can tell you that after doing the calculations for the mill levies over the last couple years, the amount of mills has gone down in 2015 and 2016.

Audience: Is that the mills for Lockwood Water?

Manager Ariztia: That's the mills for the debt repayment on Phase I, because Phase II isn't based on mill levies.

Audience: 26,000 against my property. That's what the county put against it. 26,000, yeah, against my property. Every time you guys slap us a raise, it makes a difference.

Audience: So my understanding is basically you guys have to pay back this money that's been put out, and so with nobody hooking up to the sewer, you're not getting the money to pay back the debt; is that correct?

Manager Ariztia: It's correct, but it's not correct. So like Phase II, I can't remember the exact number, but Phase II cost 10, 12 million dollars to install pipes in the ground. On that project when it was all said and done we financed $6 million of the project. So, the Phase II assessment is based on two loans, a 30-year loan and a 40-year loan on those properties, we get paid on those property tax assessments.

Now, the water user rates go to the operation and maintenance of the system, repair and replacement just like the system development fees. So the more money we collect for system development fees from new development and new growth, that offsets what we have to borrow and charge all the customers for to pay back those loans long term.

Audience: But if nobody hooks up, it's not --

Manager Ariztia: We're not generating that revenue to maintain the system.

Audience: So, if you push it back a year, and give everybody a year to save that $1,250 to grandfather in, then you would get more people to hook up because they would have the money saved by at least a year. I'm not saying put it off a lot, so that people can save.

(Inaudible, everyone talking at once.)

David Nelson: If the collection plate is pushed back a year, then will the calculations need to be recalculated, increased actually, at that starting point to accomplish what you wish to?

Mr. Rheem: It's a bit of a balance given the size of the operating costs and other things. We're anticipating 60 new sewer connections next year. So just sort of taking that at a minimum, for Phase II a $200 difference times 60 if it's a one-time kind of bid, I would defer to the Board whether they would want to look at rates to adjust that or just absorb that in the one-year understanding that there's a compromise here. Maybe more than 60 would connect if they were given more time.

It was Nancy Belk's opinion that the system development fees could be pushed back one more year just for the area in Phase II, existing customer only. The rest would be included as written. She did not think it wise to take any prepayments that the District could indefinitely hold because the City of Billings fees change.

Manager Ariztia suggested that if the Board wishes to extend the rate out another year, it could be looked at and discussed at the next Board meeting in July.

Mr. Sessions: I just wanted to bring up something that Bob went through, even for the simple fact of trying to call a contractor, everybody is so busy right now, he was told a number of time to call somebody else. So like I said, July 1st?

Assistant Manager Reed advised that he was getting a lot of calls from people ready to hook up, and they can't because contractors aren't available.

Woody Woods offered a comprise extension of three years to two years. Apparently, the City voted down their rate increases, so that should have an effect on what the District is going to pay to the City for wastewater treatment. If the District could match that, go out two years, then the rates could come back in two years at this stage.

Audience: We're at McIntosh sub where the old fire station used to be, and I think Phase II ended there at Wade Drive, right?

Manager Ariztia: Phase I ended at Wade Drive.

Audience: Oh, Phase I?

Manager Ariztia: Phase II ended at Starlight Circle.

Audience: And that's up Becraft, so we're in Phase I then if we're in by the --

Manager Ariztia: You're in a future phase. You're not in Phase I or Phase II.

Audience: So, then would it even be anything for us, because if it ended on Wade Drive, there's not even a pipe going up the street to hook up to.

Manager Ariztia: So you can't even pay your fee now because there's nothing there for you to connect into.

Audience: So then in future years, we're going to be paying the higher price because there's nothing to connect to.

Manager Ariztia: I wouldn't necessarily say that. I would say that just like Phase II, when that infrastructure, when Phase III gets approved and your lot is within Phase III, just like II, it will have to be decided what type of assessment it needs to be, whether it's going to be a taxable value, whether it's going to be a special assessment like Phase II is, and then that will be spread out among everybody in that Phase III infrastructure. You would still be paying a small portion of what's already put in place, but it may not necessarily be bad, that would have to be calculated at that time based on that phase and what's being put in and what's being paid for by those customers and then what facilities in Phase I or Phase II they're going to connect to.

Audience: So we would be considered like Phase III then?

Manager Ariztia: Potentially Phase III, Phase IV, whatever time you get phased in.

Audience: I love the fact that you always use the month of July of this year and you don't show it projected out for four years. I know you put the numbers out there, that's 80% increase in three years starting as of this July, and that I believe is a dishonest ploy.

Manager Ariztia: If somebody connects to the sewer right now, they haven't gone though a winter evaluation period so what is their sewer rate based on, an average?

Barbara Nies: Water history is based on the months of November through March, the average of those months.

It was decided that a motion would be made to implement the water and sewer base and monthly usage rates tonight. The decision on the extension and modifications to the system development fees will be postponed for discussion at the June Board meeting.

I. Nancy Belk moved to approve the water and sewer base rate and monthly usage rate in place. Discussion and decision on the extension and modification to the System Development Fees will be brought before the Board at the June Board meeting. Carlotta Hecker seconded the motion. Motion carried.

II. Nancy Belk moved to adjourn the meeting. Carlotta Hecker seconded. Motion carried.

(Whereupon, the hearing was concluded at 9:00 p.m.)

The next Board meeting will be held on June14, 2017.

Carlotta Hecker
Attest

Attest

Reporter's Note: Question and answers are presented verbatim to the extent possible. References to "Audience" are those individuals who did not give their names