

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** Minutes for Nov 1st Meeting ***

- I. Call to Order at 7:02 pm. Roll Call: Joanna Adams, Linda Bosworth, Harold Herman, Aaron Anderson, and Tina Bondy, present.
- II. Tina read the October minutes – Linda motioned to accept as read, Joanna seconded, all voted to accept.
- III. The public present was Matt Nerdig (A2Z Engineering) and Wes Kruse (Certified Water Operator).
- IV. Financial Report.
- a. Linda Bosworth provided current financials. \$96.70 owed to Joanna Adams; \$1667.61 owed to Harold Herman; \$3969.24 owed to Linda Bosworth (excluding the check being reimbursed this meeting, referenced below.)
 - b. \$44,307.81 gross profit
 - c. \$11,391.95 expenses
 - d. \$32,765.86 income (includes the \$20k grant income received)
 - e. \$9287.44 current checking account balance, Glacier Bank #4486
 - f. \$20,000 current account balance, Loans and Grants
 - g. \$38,271.70 liabilities.

ME Lab – credit balance of \$87 left from water sampling.

Copies of the Profit & Loss Statement, Balance Sheet and Payables provided to Tina for including in the Minutes.

- V. Operator's report provided by Wes Kruse. They were successful in bypassing the reservoir, the system can run without it. It's been that way for 2-3 weeks, and no customer complaints have been registered thusfar.

Looking longer term, it has been set up in the event of a catastrophic problem with the reservoir, it can be bypassed at any time.

The reservoir was drained and cleaned. There was a buildup of manganese in the main. The main was flushed, and is looking good at this point. Goal is to increase pressure by approximately 20lbs psi, though that will further dislodge the manganese, which goes into distribution and customers may complain.

As part of the repairs, 2 pressure tanks are back online. The reservoir was core drilled, so the water will draw through the wall rather than up and over. Sealed the reservoir house, plywood up to make a division between the tank and the room that you walk into and insulated. Still offline.

Discussion around the remaining cleanup and a continuing part of the project - Matt's advice is to replumb the pump house. Also planning to install a port for a chlorinator, talked about putting some better lights in the pumphouse, blow off locations - 2 selected, possibly a 3rd as well. Some patching in corners of tank and then will be able to bring them back online.

Wes suggested including a note in the monthly bill. With the construction process, we have dislodged this manganese, though it is not a health issue, your screens are likely plugged up - clean those and your pressure will increase.

Matt will draft letter on A2Z's letterhead, referencing the repairs and screens. He will email a draft to the Board that can be included in the next bill.

Discussion on where those blowoff ports may be located. Some of this is in flux.

Discussion on timeline for completion. Matt will talk to Julie Flynn and InterCap to determine whether there is an opportunity to shift the deadline for purposes of the loan.

Matt forwarded close out documents electronically this evening.

Linda inquired about the well at River Bridge. Reminded Board and Operator that DEQ cited Larry for the well top that didn't rise up. Harold fixed that (with the barricade). But the casing - water can just run in. Matt will call Mike and ask him, though keeping in mind, don't want DEQ to inspect yet. Matt wants to replace the piping, and then bring Mike in to show all that was done.

Matt has been in touch with DEQ - they know we are doing the repairs and maintenance. Already documented (in stuff that Matt sent) a set of As Builts, 10 page close out report - for grant people and InterCap. Discussion about sanitary survey as well.

As far as all the things planned and done, either done or on schedule - looks good.

Discussion by Board and Wes and Matt around customer complaining and threatening litigation. Wes stopped by the lot (resident did not answer the door) and checked the water quality. Wes photographed the water flow as evidence, the water was clear and had no smell.

Manganese not a health concern. It's in the water pipes, built up over the years.

As the operator - nothing of concern.

Once flush hydrants are put in, there is the ability to move water with enough velocity and flush it. Have the ability to run a shock of chlorine through it if we need to (if there is bacteria present).

With new piping, compliant per DEQ - will alleviate concerns for the future.

Further discussion around DEQ inspections and sanitary survey; determining when the next one may be due. Mike did the sanitary survey when there was a chance the water district was going to be transferred. Did a thorough job, so that FCWD could use it to get emergency grant money, which it did with Matt's help.

Discussion about water samples. Wes said that they have taken all of them required this year, though not all results back yet. Will review those received, and will highlight any red flags, otherwise, will send an "all clear" to Joanna.

VI. Correspondence.

Customer Lee issue already discussed.

Customer Hensen, received a bill for March, with a March 20 due date, when the due date should have been April 20. The district was transferred mid-March from Streeter, so this should not have been due until April. Discussion around the invoicing/accounting for March/April. Joanna to request an audit by Eclipse for that period to determine whether Hensen (and others if need be) should be credited for a payment made in March.

Reviewing other mail received.

DEQ bill which was mistakenly sent to Eclipse. For 76 community connections \$152 (originally \$334 – but waived ½.) Need to change the address. Due March 1, 2017 – noting to be paid in January and fix address.

Clarence and Jill Tabor – Linda wrote a letter to them – re confusion on owe on water line usage. He is not paying for the other lot that has 3 water users. Still paying the old fee. Very stubborn. This is 2nd letter.

Received and reviewed other mail, including bank statement, invoice from TM Contracting (previously paid), Certificate of Liability for Wes Cruze, to be added to the Corporate Books, invoice from Flathead Electric, which is on autopay, invoice from Electrician for \$472.50, tax statement with tax charge of \$24.62, still addressed to Larry Streeter, but with FCWD PO box; insurance policy for Eclipse, drafted letter from Snyder Law Office and invoice for \$150 and bank statement for Glacier Bank.

VII. Old business.

1. Updates to website (JA).

Tina has taken over updating website with minutes, agenda and resolutions. Awaiting minutes from August from Jamie.

2. Hiring a GM.

Discussion around whether FCWD is complex enough to warrant a GM position, which per Montana Code, is how to handle customers that fail to pay for water use. Per the Montana Code, the GM shall certify and file with the county assessor, and also provides

action guidelines. It may be possible to double those duties along with an existing board member/director.

3. Information for seats up for election in May 2017, tabled for the time being.

At this point, Aaron excused himself from the meeting to handle a personal emergency.

Discussion about swapping the Old/New business on the agendas so that New Business could be addressed earlier in each meeting. Tina will make the change on the December agenda.

4. Discussion re new Secretary's duties.

Joanna and Tina met and discussed responsibilities. Tina responsible for the minutes, agendas, corporate book, website. Linda discussed that Secretary also does financials. Tina will need access to bookkeeping – and Linda will email Tina with this information.

5. President to give status of payments owing to Streeter for tank house meter.

Information from Serena on what we owe for the next.

6. Reimbursement to Linda Bosworth for short-term loan of \$2,154.00, which was prepayment for cost of FCWD 101 water testing to ME Lab in October 2016.

Linda was reimbursed during the meeting.

7. Status re 2015-16 Income Tax Return filing.

Mike Bone prepared and filed, but IRS rejected because FCWD is registered as a local government and not required to file an income tax return. Agent confirmed this several times, but said that instead FCWD should file the 944 Form (a payroll form). There are no employees with FCWD, only independent contractors. Questions remain.

Discussion on getting clarification. Matt suggested asking Eclipse/Katie, a CPA about whether a tax return must be filed. Katie familiar with FCWD system, and should be able to easily answer the question. Joanna will check with Katie and also the Evergreen district for clarity.

8. Status re emergency and grant funds.

Close out documents forwarded. Already accepted by the state. Once finalized the state sent the check last time. Will do the same thing on the next one, setting out how we improved the public safety/health by spending government money.

Official legal opinion letter from Randy should go to Matt. He'll have to sign a certification that he inspected and monitored all of the work that was done.

Resolution No. 3

\$30k repair money; \$3k emergency payment money that was mandatory to borrow, to be held in reserve.

Joanna moved to accept Resolution 3 as read for the loan. Harold seconded. Unanimous vote in favor. Linda to sign as Board Clerk.

9. Status of Income Survey. No further information at this time.

10. Status of Emergency repairs and loan application. Addressed above.

11. Additional water samples to be taken this year. Addressed above.

VIII. New business.

1. Assessment of commercial properties. Presentation of proposal by engineers of assessing line sizes per code requirements.

Matt gave the Board the format, which was generally approved. Needs to finish assessing, but has been focusing on emergency repairs. Will create a sheet for each commercial building.

Move this to next month. But Matt will send to the Board for review prior to the next meeting.

2. Remedies for owner/resident not paying water bill.

Discussion around remedies available to the Board for unpaid use.

Double check of payments status. Getting a list from Eclipse for lots in default.

Matt suggested – once over \$200 unpaid, can send a letter that says something to the effect: “if you don’t catch up, we are going to install a shut off and turn off your access. There is also a \$200 disconnect and \$200 reconnect fee. Either pay up or this will happen.”

Once we establish that resolution – create a form letter that Eclipse can include in the monthly bill to provide notice. Matt will get a draft letter to us to talk about it. Matt will draft a resolution first.

3. Possible replacements for vacancy on the board. None at this time.

4. Ordinance #7 Voting.

Discussion on Ordinance #7 which during elections would give one vote to each property owner who is a registered voter in the district; vs one vote per property owned. Further discussion on whether or not residents would be allowed a vote.

Water is a capital improvement, so owner should always get a vote (but only 1, regardless of number of lots owned).

In FCWD Bylaws – whoever paid the real property taxes or resides in the district gets the vote. The Bylaws didn't address the issue of multiple votes.

Discussion around spending money on legal fees, or going with the election office procedures. Linda and Joanna in favor of following the election office standards (residents get a vote, property owners that do not live in the district must request a ballot). Obligation to include a letter to all of the property owners, that they will need to sign up in order to have a vote, if they are not residing on the property. Bills already go to the property owners.

In amending the Bylaws, it should be worded simply, in the event the election department changes.

Linda made motion to amend the FCWD Bylaws to read:

The elections held under the supervision of the county election department, following Montana State Statutory Codes (title 7, chapter 13). Montana Code Annotated.

Joanna seconded. Unanimous vote in favor.

5. Parameters around Board seats: (1) no spouses can be on Board at same time & (2) must be current in payment of all assessments.

Tabled until such time we publish for the resolution/ordinance.

6. Discussion and vote on banning of car washes in the district.

Tabling this -will have to publish

IX. Questions and answers with District staff.

Matt – water rights update to be added to Dec. agenda.

Columbia Heights – no recorded map that shows use. The way that Rob and Matt were going to approach this: no major expansions since 1973, so far as we know. Submit the district map, and said these were all the people served in '73 (and another hotel and bar and restaurant).

Need to meet with DNRC to update/file. Matt was directed to do this last month. Matt showed them a map, need to record and when they record an updated right, needs to be done correctly. If not, only way to correct it is through water court. Eventually – other well is not listed in current water right, but that's not urgent and can happen anytime. They don't even know about it.

Not taking any more water, not expanding water right, just another point of diversion. Public water supply – redundant, and no increased usage.

Matt – TSEP funds discussion to add to Dec. agenda.

TSEP funds – matching funds (\$12500) allotted but won't release until the matching funds. Now that we have the loan, can show that as matching. Will contact Shelley

(put in application and got it all confirmed) about who to contact and what we need to do to release. Once the TSEP funds – not going to worry about it until Real Development gives rest of the grant money.

X. Next Scheduled Meeting and Adjournment.

Joanna Adams announced the next General Meeting of the Board is to be held on December 6th 2016, 7pm, at the Badrock Fire Department.

Adjourned at 9:08 pm by Joanna Adams.