

# FLATHEAD COUNTY WATER DISTRICT #101

## POB 1141, Columbia Falls, MT 59912

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### \*\*\* Minutes for April 4<sup>th</sup> Meeting \*\*\*

#### **I. Call to Order at 7:00pm.**

Directors present include Joanna Adams, President, Harold Herman, VP, Russ Barnett, Naomi Einarson.

Also present were Tina Bondy, Board Secretary, Wes Kruse, certified water operator and Clarence Taber, property owner.

#### **II. Reading and approval of the minutes.**

Tina Bondy read an outline of topics covered during the March 7<sup>th</sup> meeting.

After brief discussion of edits needed, Joanna made a motion that the minutes be approved; Harold seconded. All voted in favor.

#### **III. Public comment.**

Mr. Taber provided his comments on two of the agenda items during the public comment period.

Regarding the car wash topic: The opportunity to have a car wash is not necessarily a bad thing. It would make sense that you would not start before 10am and not after 4. Also, they should not happen daily, and not at a high demand part of time. But again, the opportunity to have a car wash is not all bad.

Regarding the Taber property topic: notes contained below.

#### **IV. Operator's report.**

Wes Kruse – hasn't checked interconnect valve yet, will do that after he leaves the meeting this evening.

The C-store, an employee called Wes, speaking on behalf of the C-store, and said the frost-free hydrant is cracked. That means, it needs to be dug up and repaired. Since we have been talking about the need for the back-flow prevention device, can do this at the same time. The device, says Wes, is \$120. He hasn't heard back from DEQ guy yet though about the device to use. There may be another option, a simple device to go on the end of a frost-free hydrant, a vacuum breaker for \$30. It has a slide for the wintertime, where you slide it up and drain the barrel and it's like normal. Waiting for DEQ approval though.

When the repair does happen, the system will need to be shut down. He will time it so the customers can be notified of the outage and black water. But the

system can be flushed when it is turned back on, so will reduce the amount of black water.

Discussion about the billing of this work. Digging up/fixing the hydrant will be at the request of the gas and grocery, so C-store will be responsible. Need to determine whether Wes bills FCWD and then the district gets the money from the C-store. Travis will come with him and recommend on the repair. The consultation with Travis on Friday won't be charged.

Harold will get with Dave to determine where the shutoffs are. Wes will bring his pin finder. Harold - may just have Dave come up there Friday morning when Wes and Travis are up for the consultation.

Harold got the Mountain Avenue shut off valve fixed. Need to put something up there to cover the shut off to prevent it from getting hit by a plow again.

Harold found the shutoff for the nozzle with the leak last summer. There was a shutoff buried under the rental. Harold dug it out and put a white cap over the top of it.

Joanna gave Wes Larry's old water district info / sampling binder. Wes keeps all the records from the testing - so he'll keep it with him. Although it's not relevant any longer.

As far as samples to be taken, Wes will take tonight or Friday when he is up for the C-store consultation. Sample schedule, Outfitters Supply / C-Store and Harold's property, every 3<sup>rd</sup> month. Harold is not yet on the site sample plan, but Wes will change it to include Harold's house.

Discussion about excess water usage. We seem to be losing water and need to figure out where it's going. Asking the board to keep an ear to the ground.

Harold mentioned there may be an issue at the trailer house just north, he will take Wes over there Friday. The water is on there, though it is vacant.

Naomi mentioned that she took a Razer down toward the trail and saw a huge ice dome behind the barn. Russ said he's familiar with that property and they have a long pipe from the mountain. That's from the excess.

Wes mentioned, behind the A&W, those are FCWD pipes, there may be a leak back there, and will check on that Friday as well.

Wes proposed some spring cleaning of the area around the pump house. Keeping the weeds down, and clearing out some of the excess materials. Want to make the facilities look as nice as we can, so that it shows we are taking care of the system and property.

When Wes is going to be out of town, he will keep a message on his voicemail with an alternate/back up contact (Mark Munsinger). If it's going to be longer than a couple of days - he'll alert Joanna by email and she will forward to the rest of the Board.

## **V. Financial report.**

Tina Bondy, Secretary, provided current financials and including aging account report.

Net income: \$18,770.50

Gross Profit: \$79,223.52

Total Expenses: \$60,354.33

Bills paid tonight: April 4, 2017

Eclipse accounting \$429.89

Wesley Kruse Enterprises \$500.00

Tina Bondy – Secretarial Services Feb/Mar: \$276.72

Board Member Checks \$60 each, totaling \$300.00

Linda Bosworth: \$969.24

Board discussion about past due accounts. There was some response after the delinquent letters were sent. Question whether we want another letter or just the hang tags? Determined that we do want to go forward with the hang tags at this point.

If customers remain delinquent, what next? Is it possible to lien the owners, and add it to their tax bill?

Board then discussed fees for hook up/ disconnect and change of ownership. Can we justify the \$200 fees? The concept behind the \$200 fee was to cover our costs if Wes had to be called to come up from Kalispell. Ordinary circumstances, it won't cost FCWD \$200 to turn a valve. Though must we have a licensed WO to turn on a valve. Also need to go through and find out where all of the shut offs are located. Russ and Harold can do this.

Considering whether there may be a way to have a \$50 fee and have wording that would protect us in the event of excess costs, such as an emergency situation, if a special trip is required, etc.

Similarly, for the change of ownership fee, all we are doing to change this is emailing the accountants and asking them to update the records. Couldn't this be a \$40 or \$50 fee instead?

For the time being, the goal should be to get this water system redone, pretty much completely and to the point that every unit would have a shut off and a meter.

Discussion about getting a letter to all property owners, with the billing address as well as the connection address, to have them confirm the information so that we can get our records cleaned up. In that letter, we should also say "If you don't pay – it can get applied to your tax bill."

Proposed reduced fees:

Standard hook up/disconnect \$50 – if we have to have it dug up – will be more.

Change of ownership (the purchaser) single fee of \$25 (more reasonable than \$50).

Russ made a motion – that we reduce the shut off fee from \$200 to \$50 and the connect fee (same) and change of ownership from \$200 to \$25.

Harold seconded. All voted in favor.

If we are going to try to reduce fees, we need to alert the customers of the proposal. Per the Bylaws, we must have a public hearing and we must publish notice of this public meeting in a local newspaper.

Tina will draft a letter and email to the board for changes, about the proposal and the public hearing.

Board discussion about accounting services and concerns. There continue to be errors and it's alarming that customers are continuing to get billed at the wrong rate. Several months ago, there were a lot of mistakes being made. Joanna researched having someone else take over the accounting. FCWD is paying Eclipse \$400 a month, JCCS – quoted \$750/month – and not including the processing.

Concerns though, with continuing to use a firm that makes these errors (example: credited a customer for their bill in February (which was billed at the wrong rate), the next bill, they didn't change the rate, so were billed incorrectly again. This hurts the credibility of the FCWD.

Other possible firms to check: Eagle Eye Bookkeeping or Alpine Accounting.

Right now, Eclipse is processing payments and sending out bills, reconciling bank account and running reports, although most of these are run by Tina for the meetings. They also manage the grant revenue and maintain QuickBooks.

Per Russ - if we can save \$200 a month by moving to another agency, and having the bills and processing payments done internally, let's do this. If we can't – need a serious discussion with the owner (Katie) at Eclipse. The biggest concern is tracking accurately the loan/grant income.

There also continue to be concerns around the billings each month. They are very confusing and seem to look different each month.

## **VI. Correspondence**

None to address.

## **VII. New business.**

### **1. Delinquent Accounts.**

Board discussion about letters to owners regarding delinquent accounts and distribution of posted notices on property.

The notices have been ordered. Once they arrive Tina will pull a list of all delinquents that owe more than \$100. Harold and Russ (and possibly Naomi) will distribute the notices.

Board discussed that we don't know much information about the customers, whether any may be in hardship, phone numbers, email addresses?

Joanna made a motion that we draft a letter regarding the change of ownership/reconnection fees and getting updated records. Russ seconded the motion. All voted in favor.

### **2. Update (by Matt Nerdig) on water rights and switching all claims to a decree by June 2017. TABLED this in Matt's absence.**

### **3. River Bridge property / Columbia Falls Historical Society**

- a. Did CFHS board agree to \$50 hook up rate (depending on water operator schedule) and monthly rate of residential until opened to public?

Mr. Taber provided info that CFHS was pleased at a \$50 hook up charge, they are looking to have the water hooked up somewhere towards the middle of the month, when the CWO (Wes) is up in the area. They will pay the \$50 at that time.

Joanna at this time read Linda Bosworth's 4/3/17 email to the Board, as well as the back and forth between Linda and Joanna. A copy of the email exchange is attached to these minutes as Exhibit A.

According to Mr. Taber, CFHS board will sign the agreement and work with Linda Bosworth, the owner of the property. Also according to Mr. Taber, the FCWD board made a decision to allow a \$50 hook up fee. The regular fee of \$200 is too high.

Per Joanna, when the board voted to allow the \$50 hook up fee, the board was not aware that Western Inn still owned the property.

CFHS was asking to pay the reduced hook up fee and schedule for a time when Wes was in the area. If he's already up in C-Falls, there is no charge for him to turn on the water. If he's not in the area - it's \$50 an hour from when he leaves his house to when he returns home (Kalispell).

Discussion broadened to discuss the prior board decisions to not allow exceptions to the standard hook up fee.

It was explained that the FCWD is a government entity, without the authority to make exceptions without changing the bylaws.

Mr. Taber will follow up with Linda regarding her email.

**4. Taber Property**

- a. Discussion regarding renters' payments for water.

Mr. Taber expressed his opinion that the bills from Eclipse/FCWD are confusing. The lot numbers/usage addresses do not appear on the bills.

He is a property owner with 3 rentals. He's being billed for 4 lines. There should be 4 properties listed on the bill.

Joanna talked to accountants previously about this, and part of the problem is the way that Eclipse set up the account, with a "sub-account" for one renter that is paying her own water. The rest of the district the owners are responsible, not the renters. This needs to be clarified.

Mr. Taber would prefer 4 separate bills each month. If Jill (Mrs. Taber) is paying the bill each month, but she can't see what she paid last time, it's confusing. There should be the new bill amount, what you paid before and what you owe.

He should be being billed every month – 4x\$44. If the accountants process payments like normal, they would automatically be applied to the oldest amount owing. Eclipse won't split the payment up into the separate properties. We can request the accountants create 4 separate accounts per the different addresses. Mr. Taber would prefer NOT to receive 4 different envelopes.

**5. Discussion re change of ownership fee**

Discussed in conjunction with the hookup/disconnect fees above.

**6. Election information.**

Discuss letter to property owners regarding election votes and drafted message to be distributed before May 2018 elections. -- TABLED

**7. Review of proposed 2017 budget.**

Board reviewed and discussed a first draft of an annual budget document. Discussed some additional line items and changes. This will be a moving document, so Tina to make changes and bring again next month.

Bill Cavanaugh was the certified water operator for Hungry Horse and Coram. Russ has known him for years. We are paying Wes \$500/month. Bill is a wealth of information – wondering if Russ can or should put in a call for him – to find out who the operator is for HH/Coram and if that person would be interested in taking our district on and an apprentice (Harold). We could guarantee him a year or year and a half.

Board discussed that it doesn't hurt to ask. HH was advertising recently for a water operator – maybe 6 months ago, which was because Bill

Cavanaugh retired. But perhaps he could give us an idea as to what the going rate might be. It seems expensive to pay for Wes travel time to/from Kalispell in addition to any work conducted up here.

#### **8. Review and Approval of Revised Bylaws.**

Tina read through the revisions to the Revised and Restated Bylaws for the Board. Joanna made a motion to accept as revised, Harold seconded, all voted in favor. All Board Directors present at the meeting signed the Revised and Restated Bylaws dated as of April 4, 2017.

#### **9. Add parameters re Board seats:** (1) no spouses can be on Board at same time, and (2) must be current in payment of all assessments.

As the Bylaws state, the FCWD follows state laws as to who can and cannot run to be on the Board. There does not appear to be anything in the state law that would prohibit spouses from serving. Further, not sure whether the Board has the authority to include a requirement that the candidate be current in payment of all assessments. Ours is part of the public election, we aren't the ones that hand out the ballots.

#### **10. Car washes.**

Board discussed the fact that the car washes affect the water pressure in the district. It would be advisable to have anyone that wants to hold a fundraiser carwash to get Board approval prior to holding it, rather than banning them outright. Discussion continued that the property owners would need to know about this requirement. And that there should be ample notice to the board in advance, so that it can be discussed and approved at a regularly scheduled board meeting.

Following the discussion of agenda items 9 and 10, Russ made a motion that the parameters regarding board seats – that no spouses shall be on board at the same time and must be current in payment of all assessments -- be stricken from the agenda and approval by the board of any car washes in the district is required to have 30-day notice – be added to the letter that will be sent out in April.

Harold seconded Russ' motion. All voted in favor.

### **VIII. Old business.**

#### **1. Update on status of Income Survey.**

Sarah did not give an update today. She did hand out 8 surveys and have 7 returned already. Sarah will be here at the next meeting for a status update on the income survey.

#### **2. Status of loan payments to be made; first payment due August 1, 2017.**

This month – we should finish repayment of Linda. Will have loan and insurance coming up, would be good to have Linda paid off.



Joanna made a motion to pay off balance owing to Linda. Harold seconded. All in favor.

3. Status of Flathead Electric deposit that is due to be returned to the District.
  - i. Update re deposit kept on file until closing the account.

The account was mistakenly labeled residential. They have changed it to reflect “business” and credited us \$180 for the current bill. If we need the \$1800 deposit, we can get it with a surety bond, but otherwise, it should stay with FEC.

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

Joanna emailed Serena for the current info. It generally costs \$180 for 3 months – so we pay every quarter. We keep it on the agenda, so we don’t forget and because Serena has to be reminded as well. We have a good relationship with her though.

5. Updates to website – remove this from next month’s agenda.
6. Hiring a GM; discussion of job description for the role.

State law refers to this position by name. But we need to figure out exactly what a GM does and look into renaming. Does it need to be someone not on the board? State law for water districts refers to different positions. Tina will look up and bring info to May meeting.

#### IX. Questions and answers with District staff.

Our bank account, per the terms of the grant, needs to have a \$3000 balance. Joanna will transfer enough to make it an even \$3000.

Harold came across 4 shutoffs in Clarence’s field. There were PVC pipes without caps. Price at Western Building is \$20 for caps. Harold wanted okay from board to do this. He will buy and be reimbursed.

Russ had a question about a decision on the bookkeeping company. Joanna explained that we were ready to fire them, but they seem to have straightened up quite a bit and seem to be making less mistakes. Russ requested an email with the 4 addresses for Mr. Taber’s properties. He will go in and talk to them in person and let us know what he thinks overall. He would ask to talk with Katie while he was in there.

Naomi brought up the annexation project. This was put on hold pending the results of the income survey. Harold will check with Matt tomorrow about the Annexation form.

Joanna Adams announced the next General Meeting of the Board is to be held on May 2<sup>nd</sup> 2017, 7pm, at the Badrock Fire Department.

#### X. Adjournment.

Meeting adjourned at 9:43pm.



## EXHIBIT A

4/11/2017

Re: FCWD 101 - River Bridge/CFHS - Same water hook-up fee as all District Members & residential monthly rate for 6 months if not open to the public

Hospitality Group <[hospitalitygroupmt@gmail.com](mailto:hospitalitygroupmt@gmail.com)>

Mon 4/3/2017 5:17 PM

To: Joanna Adams <[adamsjoanna89@gmail.com](mailto:adamsjoanna89@gmail.com)>;

Cc: Aaron Anderson <[ChevySilverado325@yahoo.com](mailto:ChevySilverado325@yahoo.com)>; Harold Herman <[haroldhermanwater101@gmail.com](mailto:haroldhermanwater101@gmail.com)>; Linda Bosworth <[bosworth.linda@gmail.com](mailto:bosworth.linda@gmail.com)>; Naomi Bridwell <[jenbcgtg2011@gmail.com](mailto:jenbcgtg2011@gmail.com)>; Russ Barnett <[russ@outfitterssupply.com](mailto:russ@outfitterssupply.com)>; Tina Bondy <[tina.bondy@outlook.com](mailto:tina.bondy@outlook.com)>;

Just for clarification, at the December meeting I advised that my husband and I as the owners of the River Bridge had negotiated with CFHS that if CFHS prepaid and was solely responsible for any hook-up charge/other charges assessed that we would give permission to CFHS to hook-up the River Bridge to the FCWD 101 water system. Within the week following that meeting, Western Inn signed a hook-up application as "owner" and provided it to Mr. Taber so that the CFHS could prepay for and hook-up the water at their convenience ... with the clear understanding that CFHS is responsible for any and all charges for that hook-up and to make that clear on their Application form.

You are correct the Board has no interest in who pays the hook-up fee ... that is between Western Inn and CFHS. However, I was very clear in letting the Board know the terms agreed to in allowing CFHS to hook up the River Bridge to the water system. Mr. Taber in December, in his capacity as President of CFHS, had agreed to our terms that the CFHS would PREPAY the hook-up fee and any other unknown charges in hooking up the water. A designated representative of CFHS must sign the hook-up Application acknowledging that CFHS is not only paying for the original hook-up fee at the time of application, but will also be responsible for any other costs assessed by the FCWD 101 for hook-up if any issues or other charges are applied.

**To be clear: If CFHS is unwilling to sign the Application that it will be responsible for all charges regarding the water hook-up, including prepayment of the standard fee, then please consider this a withdrawal of permission by the Western Inn to hook-up the water. at the River Bridge.** Hopefully I am misunderstanding and there is no issue with CFHS paying in its entirety all charges for water hook-up as was agreed to.

Western Inn is aware it is the responsible party to pay for the monthly water rate as it is the owner. The Western Inn will seek

reimbursement from CFHS for those charges. Let me know if there is any further confusion. Thank you, Linda

Linda Bosworth, CEO  
Hospitality Group  
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On Mon, Apr 3, 2017 at 4:35 PM, Joanna Adams <[adamsjoanna89@gmail.com](mailto:adamsjoanna89@gmail.com)> wrote:  
So technically.. and correct me if I'm wrong. You (for Western Inn) would sign the form to hookup and then you would gather those funds from CFHS?

Basically as far as we are concerned, right now this would be between the landowner (Western inn) and the board.

Once CFHS officially purchases, it becomes their responsibility. I would think we want to avoid a situation where we would potentially be caught between Western Inn and CFHS.

-Joanna

On Mon, Apr 3, 2017 at 3:37 PM Hospitality Group <[hospitalitygroupmt@gmail.com](mailto:hospitalitygroupmt@gmail.com)> wrote:  
My husband and I own the River Bridge jointly through our LLC: Western Inn, LLC. I am drafting a Lease between the Western and CFHS where Western will pay the water bill (and other chgs) to be reimbursed by CFHS. So once CFHS pays the water hook-up fee and water is set up at the property pls have Eclipse bill the Western Inn at the same billing address as the Travel Inn in Swan Lake. I have no idea when CFHS will purchase it from us. We are giving them time under the Lease to fundraise to be able to do that. :). Thx, Linda

Sent from my iPhone

On Apr 3, 2017, at 2:56 PM, Joanna Adams <[cadamsjoanna89@gmail.com](mailto:cadamsjoanna89@gmail.com)> wrote:

Thanks Linda! We will certainly read your email at tomorrow's meeting and discuss...I am curious, because as you know the property owner is responsible for the bill and Clarence would not give us a clear answer on who owned the property currently. Who owns the property now, and if that is you, when will the CFHS purchase it?

~Joanna

On Mon, Apr 3, 2017 at 10:31 AM, Linda Bosworth <[bosworth.linda@gmail.com](mailto:bosworth.linda@gmail.com)> wrote:

Good morning. I just received and read the Agenda for the April meeting which includes re-visiting and clarification of the Board discussion with Columbia Falls Historical Society President Clarence Taber at its December 2016 meeting. Specifically, issues discussed at that meeting were (1) the water hook-up rate to be charged to the CFHS for water hooked up at the north building of the River Bridge, and (2) monthly fee to be charged (once hooked up) to be paid by the Columbia Falls Historical Society at the River Bridge.

Unfortunately I will be unable to attend your April meeting so am sending this email to set forth what was discussed in that regard as I was not only present at that December 2016 meeting, but also took detailed notes. I hereby given permission for this email to be read in its entirety at the April 4, 2017 meeting.

At the December 2016 meeting Clarence Taber addressed the FCWD Board to (1) pay a reduced hook-up fee to the FCWD water system, and (2) to only be assessed the monthly residential fee until the museum was opened to the public since only the north portion of the building was being used by volunteers working in the building. At that time I recused myself from discussion as a Board Member since I am co-owner of the River Bridge.

After some discussion and hearing Mr. Taber's requests on behalf of the CFHS, Mr. Taber was told by the FCWD Board that CFHS would be charged the same water hook-up (and termination fee) as any Member in the District, that there would be no special treatment of any one District Member. (At the same meeting another Member of the District asked to have their water turned off for just a few months with no fee charged, and they were told the same thing.) Mr. Taber countered that the CFHS was certainly willing to wait until its Certified Water Operator was present so there would be no special or additional charge. The Board clearly again indicated the fee would be the same for anyone hooking up to the water system or disconnecting from the water system, and that there could be additional charges assessed if any issues at the time of hook-up as indicated on the application form, which would need to be signed by the owner and submitted with payment prior to hook-up.

In response to Mr. Taber's request to have the CFHS only charged a monthly residential fee, the Board was VERY generous in saying "yes" for a six-month period only with the parameter that if it was not open to the public per Mr. Taber's assurance. Mr. Taber replied that there would be very little water use as only volunteers were there cleaning and remediating, and at this time do not actually have a date they could be open to the public so wondered if the rate could be at the residential rate until opened to the public. President Adams responded that the CFHS could not expect an open-ended arrangement like that, that there must be a closure date and six months seems fair - - asking Mr. Taber if that seemed fair to him and he agreed - - but that if before the six month period that any portion of the River Bridge building was opened to the public then the CFHS must pay its monthly commercial rate as already voted on by the Board, depending on if only the north building was used, or north and south buildings.

At that point the Directors agreed unanimously to both decisions of the Board: The CFHS would pay the same water hook-up fees for the River Bridge as any other District member, and after hook-up a monthly residential rate would be owing by CFHS for six months unless opened to the public during that six-month period, and then the commercial rate would apply depending on the buildings using water.

I personally would like to thank the Board for its generosity in allowing the CFHS to pay only a monthly residential rate for the six-month period if not open to the public. Thank you and best regards, Linda Bosworth.

Linda Bosworth  
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